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THE FINANCIAL POST

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The Nation's Business

Business Men and New Cabinet
New Blood For Trade
Too Many Ministers
Coolidge Has Ten
Malcolm Also Needed at Conference

BUSINESS men have little cause to complain of current political developments. There is a government in power that has numerical strength, the value of which we have come to know. It has announced a cabinet that includes many able business men and that, as cabinets go under the Canadian system, is a good body of men.

Hon. James A. Robb's return to the ministry of finance was expected. He goes back with increased influence and prestige. He can speak with the greatest confidence in insisting on common-sense policies in governmental business.

* * *

HON. JAMES MALCOLM'S advent to the very important ministry of trade and commerce can only call forth commendation. His past record makes him a man of great promise. The country expects of the minister of trade and commerce that he will mainly promote the sale of Canadian goods abroad. That calls for superior qualities in our products, for good salesmanship and broad vision. Malcolm, as a manufacturer, has made superior furniture, and his success in marketing it shows he understands salesmanship.

He has a fine opportunity to increase the practical usefulness of the department. Under Sir George Foster the department showed a tendency to become a bureau of young college graduates who had learned all they knew of business from a book, lectures and three months' training at Ottawa, from where they were sent to the different corners of the world to sell Canadian goods. Extension of the foreign trade service, with practical men in the field, would be a move worthy of Mr. Malcolm. He has only to follow policies begun by Mr. Robb and Mr. Low to keep his department improving.

* * *

THE other appointment that is of great importance to the business interests is that of Customs. Mr. Euler's record has been chiefly political, but he is very well regarded; is a keen student of public affairs, as his numerous analyses of the railway situation indicate, and will have the backing of Canadian business in any forward policies he may adopt.

Generally speaking, the cabinet is not dissatisfying. It is too large; of that there is no doubt. The president of the United States has but ten advisors and department heads. Mr. King has sixteen cabinet ministers, and at least one more is to be appointed. Each of these ministers will have secretaries and an organization about him to spend money. The more departments there are the more ways there are to spend money. The cabinet does not show any tendency away from our expansive trend in cabinet making.

* * *

BUSINESS men, generally, hope that there will not be a series of by-elections but that the ministers will go back unopposed. Cabinet by-elections are a relic of the past that should be abolished. In fact, our whole cabinet system is out of date. The prime minister should be given the opportunity of choosing his advisers and administrators from among the best men in the country and should not be restricted to members of the house of commons or senate. Such a system has worked well in the United States and gave Mr. Coolidge Mellon and Hoover.

* * *

THE Brantford Expositor, which, with the Toronto Globe and other Liberal papers, has not been friendly to Hon. Mackenzie King's leadership, take exactly the same view of the result as does The Financial Post, that it was the Robb budget and Conservative tactical errors that brought the Liberals back strong, and that if the Liberals had abandoned the constitutional issue and concentrated their appeal on reduction in taxation, the results would have been even more decisive.

* * *

IT IS now announced that Mr. Dunning—as urged in this column last week—will go to the Imperial Conference as representative of the great producing interests of the west. Equally, if not more important, is the presence there of the new Minister of Trade and Commerce. In no other way can Mr. Malcolm, and through him Canadian business, get better into friendly touch and more intelligent understanding with the leaders of great groups of peoples who want to trade with us. Moreover, we suspect that the all-powerful international battleship-munitions trust

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FINANCIAL RAJAH OF EUROPE BUYING BRAZILIAN STOCK

But Talk of Big Power Merger Can Only be Conjecture

IS ASTUTE INVESTOR

Loewenstein and His Associates Revealed Remarkable Ability to Gauge Future in Acquiring Control of Barcelona

The recent buying of shares of Brazilian Traction and various Mexican companies with financial relations has been followed by reports of an organized effort on the part of big European interests to gain control and bring about a huge merger of all these companies. The Financial Post has obtained official assurances that, apart from the evident increase in the holdings of Brazilian by Alfred Loewenstein and interests associated with him, anything as to future changes in the status of this or the other companies in which he and his associates are interested, must be a matter for conjecture. It may be pointed out, however, that while the prices to which the securities of some of these companies have been forced are much above what is warranted by present or immediately anticipated dividends, Loewenstein and his associates have in the past shown themselves to be particularly shrewd and far-seeing in such matters, and their plans are usually laid with a view to the farther rather than the immediate prospect. In the meantime it may be said that so far as Brazilian Traction and the other companies are concerned there, affairs are making very satisfactory progress, and earnings should be quite up to anticipations.

So far as the rumors connecting Loewenstein's name with power mergers in Quebec are concerned, The Financial Post is creditably informed that these may be dismissed entirely. Some offers which seemingly came from Loewenstein interests for holdings in the Power Corporation of Canada have, it is said, been definitely turned down. Mergers of power interests may be worked out in the future in Quebec, but they will undoubtedly be dominated by the interests which have been responsible for the upbuilding of the different companies. The two chief factors in the situation are Shawinigan and Montreal Power, but there is nothing to indicate a merger of these interests in the early future.

Loewenstein the Buyer

There seems no reason to doubt that the last forward movement of Brazilian was due to buying by Alfred Loewenstein and his Belgian associates. Whether this merely indicated a realization on the part of these shrewd investors of the company's splendid future or whether there is on foot a plan to get control of the company is a question which cannot be answered. Only vague and unreliable figures can be had as to the total shares acquired.

The interest of Loewenstein and his associates in Barcelona is well known and very important. It was this group of financiers which came forward with a plan to work out the re-financing of the Spanish company and the extent to which the plan finally arrived at has worked out is a tribute to their remarkable astuteness. They secured control through the reorganization, and have probably since increased their holdings.

As to the Mexican companies, here again there is evidently only conjecture. Loewenstein and his associates are large holders of these shares, but the extent of these holdings is only vaguely known.

The talk of the merger of Brazilian, Barcelona and the Mexican companies has been discussed by the Boston News Bureau, which calls at-

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Newsprint 1927 Prices Will Be $65 a Ton

From Our Own Correspondent.

MONTREAL. — Next month, the newsprint companies will renew their contracts with the publishers and, as the time for these renewals draws nigh, there is naturally a considerable amount of interest aroused among investors regarding the price which will prevail in 1927.

During 1926, the price of newsprint has been $65 a ton f.o.b. mill. Those engaged in the industry are unanimously of the opinion that this price will certainly not be reduced and, while at the moment there are no real indications of increased prices, yet there is the possibility that the seasonal autumnal and Christmas demand for advertising space in the American papers might increase the demand for newsprint to the extent necessary to allow the producers to demand a higher price. If the price should be increased in 1927, the newsprint producers would be in a much improved position, for thus the increased revenues of the companies would leave ample provision for any minor ups and downs in the demand for newsprint. However, the general consensus of opinion seems to be that the present price of $65 a ton will prevail in 1927.

Alberta Bituminous Coal is Better Than American

From Our Own Correspondent.

SYDNEY.—That the enormous bituminous deposits of the Peace River district in Northern Alberta are far superior in quality to the best American soft coal is the opinion expressed by Col. D. H. MacDougall, former vice-president of Besco, who since his recent return from the west has been busy at his home in Stellarton preparing a special report upon these properties. The beds contain many millions of tons of coal, available for mining at lowest operating costs.

Asked what effect the working of these areas would have upon the coal industry of the east, Col. MacDougall said "none." He thinks that they will eventually find their natural markets in the prairie and Pacific provinces and along the Pacific coast of the United States.

GREAT EXPANSION TAKING PLACE AT "SMELTERS" PLANTS

Prediction of Higher Earnings Should be Followed by Other Advances

Consolidated Mining and Smelting has a tremendous expansion program under way at its various plants in British Columbia. These have been hinted at officially, but the Financial Post here presents an official outline of just what is going on. These can be summarized as follows:

Sullivan Concentrator adding 1,000 ton unit to 4,000 tons daily.

Crushing plant at New Moyie mill.

Tadanac zinc plant 80 ton increase to 280 tons daily.

Lead refinery extension to increase tonnage 50 daily to 400.

Small extension to silver refinery.

Crushing and sampling plant at Tadanac.

Concentrator to treat heavier tonnage of customs ore and increase efficiency.

New power plant to be built for West Kootenay Power, 3 units of 20,000 h.p. each.

This will make for a huge development.

The Sullivan Mine at Kimberley is producing 3,000 tons of lead-zinc milling ore daily and about 150 tons of crude lead ore daily. There is no extensive construction under way at the mine.

At the Sullivan concentrator, Kimberley, a 1,000-ton extension is nearing completion. This will make the capacity of this plant 4,000 tons daily. Construction has recently commenced there also on boiler plant extension and on the installation of two 1,500 k.w. turbo-generators. The turbines will act as reducing valves between the boilers and the concentrator where the heat is used for process work. The power will be used for a portion of the plant load, and the installation as a whole will serve as a stand-by plant in case of power shortage from the normal supply.

A power line is being built from Kimberley to Cranbrook and will connect with the existing line to Moyie. A crushing plant is being built at Moyie with a capacity of 100 tons per hour which will make possible, treatment of ores other than the St. Eugene tailing for which the new mill was recently built. There is a large tonnage of tailings available. Incidentally this will give "Smelters" a second customs mill.

At Tadanac, work has just commenced on an 80-ton zinc plant increase which will bring the total capacity of this plant up to 280 tons of bar zinc daily. In conjunction with the zinc plant, construction of a large dryer plant, a cadmium plant and the re-building of the sulphuric acid plant are under way.

The new concrete stack, dust precipitation plant, and flue, all for the lead smelter, are proceeding rapidly. Of particular interest in this department is the installation of a ventilating system which will collect the dust and fumes from around the furnaces and charge floors and still further improve working conditions for the men. Here also a splendidly built and equipped change room for 750 men will be provided.

The lead refinery is being extended and the daily production will be increased from the present 350 tons to 400 tons of pig lead daily. Incidental

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MILLIONS COULD BE CUT OFF TAXES BY GOOD BUSINESS

Budgeting, Proper Buying, Good Accounting Badly Needed

TOO MANY SERVICES

High Proportion of Public Engaged in Governmental Service Helps Keep Tax Bills High

By DR. HORACE L. BRITTAIN, Director, Citizens' Research Institute of Canada.

Canadian Governments are nothing more or less than committees of citizens to get done for the citizens collectively what they can not do so well for themselves individually or in private groups. The greater part of the revenues necessary for those services are produced by taxes which are simply payments for services which cannot be directly measured. So stated, it is readily seen that there is no magic about government management. All management is adaptation of available means to desirable ends. In so far as taxes represent the smallest possible expenditure necessary to provide the services needed, or even demanded by the people, as a whole, there can be no valid criticism of taxation. That part represented by waste of material or personnel or the production of poor services should be resisted strenuously. So long as it is better politics for governments to be wasteful and inefficient than to be economical and efficient, we can hardly expect our representative committee to do other than spend the additional money and send us the additional tax bills.

How Money Can Be Saved

Can public money be saved? Certainly, if the same methods are applied to all public business as are already successfully used in some public business and in much private business. There are two ways of making outgo correspond with income: 1. To examine all necessary services to learn if they cannot be procured at less cost. 2. To eliminate in order of their importance those parts of expenditure which are not directly and economically productive.

In some committees the need is being met by the adoption of the council manager system. The United States federal government has effected great savings through the establishment of a bureau of budget. Both of these devices might be applied in every type of government in Canada with necessary modifications. This writer is convinced that a permanent business adviser or manager is absolutely essential in every government in Canada.

It has been stated that the annual national expenditure could be cut by $50,000,000. The total taxation of Canada—national, provincial and municipal—was in 1924 over $560,000,000. The total governmental expenditure out of current funds probably approached $700,000,000. If this could be cut 10%, the saving effected would be $70,000,000 on all governmental activities. We have heard the statement that because the

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McKinnon Expected to Show Better Earnings

Advance in the market for shares of McKinnon Industries this week may be taken to reflect improvement in the earning power of the company in the share of net profits. While it is not anticipated that the year ending with September will show earnings as great as the $700,000 mentioned some months ago, it is believed that they will be substantially better than the $420,000 reported for the year ending in 1925.

Sales have been showing a healthy increase, offset to some degree by a decline in business at the Buffalo plant. For a time it appeared that the reduction in the tariff would affect the demand for the company's automobile accessories and parts, but the adjustments made and the plans of the makers to increase their output have finally worked out in a materially advantageous way.

League of Nations Recognizes Canada as Gold Producer

This week The Financial Post received from Geneva copies of the new League of Nations publication on the currencies of the world. It was intimated in The Post a few weeks ago that the League of Nations had revised the edition in order to repair a serious injury done to Canada in omitting this country from the table of gold producers of the world. The new volume received this week gives Canada considerable prominence as a gold producer and in addition to showing Canada as third among the world's gold producing countries—the Transvaal and the United States ranking ahead—the editors of the book have gone out of their way to make special reference to Canada, thus offsetting their previous injury. The book says: "The production of Canada has more than doubled since 1913 and has gone a long way towards counterbalancing the steady decline in the output of the United States of America, and Australia."

World's gold output in 1925 is estimated at 18,000,000 fine ounces, of which the Transvaal produced 9,600,000 fine ounces; the United States, 2,300,000 ounces; Canada, 1,700,000 ounces; Australasia, 700,000 ounces and other countries 4,500,000 ounces.

Mission of Mortgage Men to Alberta is Assured of Good Measure of Success

Government is Anxious to Improve Farm Credit Situation

HOADLEY SPOKESMAN

Minister of Agriculture at Conferences Displays Consideration for Lender as Well as Borrower

By J. W. TYSON, Editor, The Financial Post.

EDMONTON.—That the mortgage loaning institutions of Canada followed a sound and wise course in bringing their case against Alberta in connection with the abolition of the personal covenant and the establishment of numerous first mortgage priorities directly before the provincial legislative court, in connection with the tenth annual convention of their association, has been well demonstrated. Hon. George Hoadley, minister of agriculture, acting for Premier Brownlee, maintained throughout the several sessions a sympathetic attitude towards the whole situation. In his address of welcome at the opening meeting he expressed the view that the various issues were being approached with a sincere desire to reach a conclusion fair of all interested; that was the attitude of the government and he felt sure that it was the attitude of the representatives of the financial institutions as well as those who took advantage of the services they offered. Throughout the various conferences during the two days when there were frank and direct expressions by members of the legislature at large, as well as members of the government and of the agents of the companies handling the loans, as well as their officers from the East, Mr. Hoadley and his colleagues in the government maintained this sympathetic attitude.

At the final session the premier's representative gave assurances for a betterment of the situation in the interests of both lenders and borrowers which could only be construed as meaning legislative action in this direction. It is anticipated that in regard to the restoration of the personal covenant and in ameliorating the situation in respect to hail insurance arrears, definite steps will be taken.

The desirability of frank consideration of the problems affecting mortgage loans from the standpoint of both the borrowers and the companies was emphasized early in the proceedings when His Honor, Wm. Egbert, lieutenant-governor of the province, gave formal welcome to the delegates, stated his opinion that the difficulties prevailing were due to differences of viewpoint. On the one hand he was afraid that the security was not what it should be, but on the other hand he expressed doubt as to whether the Eastern leaders had acquired the Western viewpoint. He suggested that representatives of both interests get around the same table and work out their problems. If capital had not been treated fairly constructive action should be taken because the development of the province demanded the investment of outside funds.

Feet Under Same Table

And the advice of the lieutenant-governor was taken literally when at the noon-time luncheon members of the government, legislative representatives, members of the federal parliament, officials of the mortgage companies and business men of the city, sat down together as guests of Dr. Tory, as president of the University of Alberta. At this luncheon the first long shots of the battle which was soon to become a hand to hand engagement and occupy the greater part of the sessions for two days were fired.

President George H. Smith, of the

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Wise Men of the East Journey to the West

A reference to the gathering as that of "wise men of the East and willing workers of the West" at the annual meeting of the Dominion Mortgage and Investments Association at Edmonton, brought from President George Smith the following observation: "If my memory of biblical history serves me well the only evidence given as to the wisdom of the wise men of the east was in their following a star to where lay the hope of the world."

Mr. Smith thus was able to leave the impression that on the success of the mission of the "wise men of the east" on this occasion would depend to a large extent the justification of their wisdom in bringing their capital to the West in the first place.

HAS LAURENTIDE CONTROL CHANGED TO A NEW GROUP?

Shawinigan Interests Said to be Behind Market Move

MONTREAL. — While Laurentide still remains a mystery stock, there is little doubt that behind all the smoke, some definite effort is being made to secure control of the company by the purchase of stock.

Since the first of the year, well over 250,000 shares of Laurentide have changed hands, and the volume of shares which sold on the open market during the past week has exceeded anything so far experienced this year. Laurentide has in all 288,000 shares outstanding.

Since the president's statement that the company is not negotiating with other interests, the most widely held view is that a strong group has been purchasing the stock on the open market, and has now obtained control of the property. On the other hand, there are those who are close to Laurentide who feel that nothing of this nature could have transpired without forcing the price of the stock up to a price considerably in excess of $110 per share.

It is the general consensus of informed opinion that it is the Aldred Shawinigan interests which have been accumulating the stock.

Another rumor is to the effect that a dummy company, known as the Island Investment Corporation, has been purchasing the stock; those behind this organization are said to be one of three groups, namely, the St. Maurice Valley Corporation, International Paper or Shawinigan interests. However, there is no official information to confirm any one of these assumptions.

Finally, there remains the opinion of some outsiders, who feel that the recent activity in the shares of Laurentide is simply a market movement induced by those who purchased the stock at lower levels, and now desire to sell out. But the latter is very unlikely. There is undoubtedly more behind the move than mere market activity.

Can Income on Margined Stocks be Fully Taxed?

The Toronto Court of Revision having ruled that the holder of securities on margin must pay income tax on all dividends without being allowed for interest paid for carrying charges, W. S. Stout, president of the Canadian Pacific Express Company, who raised the question, proposes to take it to the courts in order that other investors as well as himself may have the benefit of a judicial ruling on this point.

In this case it was shown that while there was $20,950 interest on the securities purchased on margin, interest of $19,578 had been paid and the net return to the investor was only $1,372. It was contended that the tax should apply to the smaller rather than the larger amount; the court rules to the contrary.

It is the feeling of the financial community that the ruling of the Court of Revision is not in accordance with the spirit of the act, and that the higher decision will endorse this view. The point is as to whether an investor can be taxed on income which he does not receive — it is argued that it is the same principle as taxing a merchant or a manufacturer on gross sales rather than profits.

Attendu Engine is Strong

MONTREAL.—The shares of Attendu Engines are once again taking a more prominent position in the unlisted market here. It is said that the company is shortly to make an announcement which indicates further commercial uses for the engine which it owns.

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Background of Canadian Business

WEEKLY REVIEW OF CONDITIONS

Business Looks to Completion of the Harvest
Merchandise Shipments Continue to Increase
No Let-up in Wholesale and Retail Trade
Continued Activity in Residential Building

THERE are indications that manufacturers and distributors are proceeding warily with their program for the fall and winter, until they can determine just what effect the recent damage to the crops will have on business in general and in particular on the purchasing power of the farmer. So many contradictory reports have been received that it is difficult to state what loss has been sustained, but with improving weather there should still be a good "dollar" harvest. And while the farmer is not likely to receive as much for his labors as he did last year, in view of the improvement which has taken place in his financial position in the last two or three years, it is reasonable to assume that his spending power for 1927 will be just as great as it was this year, if not greater.

Goods Moving Well

One of the best indices of the trend of business are car loadings. Figures issued covering the week ended September 18 are particularly informative as the situation during that period is similar to the one just ended. Grain loadings registered a decline owing to the lateness of threshing; livestock moved in a large volume; and coal and coke recorded a substantial increase. The stability of the wood-using industries is disclosed by the loadings, which show little variation from those of the same week last year, although recording a gain compared with the previous week. The most significant item in the report is the loadings of L.C.L. merchandise and miscellaneous. These loadings combined were greater by 10 per cent. than in the previous week and nearly 9 per cent. above the loading figures for the same week last year.

Trade is Good

Despite the uncertainty of the crop situation, which has begun to show signs of improvement this week, there is no appreciable let-up in wholesale and retail activities. Encouraging reports are received from all provinces, the majority indicating satisfaction at the volume of sales and the outlook for further business. There has been a decline in the sales of one or two seasonable commodities owing to unsettled weather, but on the whole there is a general all around improvement. Clothing manufacturers state that they are receiving a larger number of orders for the finer grades of men's clothing. On the other hand orders for cotton goods are being held back until the new price list is issued, which will likely show some reductions. Collection in wholesale circles are increasingly prompt and the same applies to the retail trade

Industrial Production Better

The industrial situation shows no reaction, factory production in practically every line being better than at this time last year. Steel and iron is one industry which has not fully come up to expectations, but there was a quickening of activity during the past week indicating that consumers are starting in on their fall work.

Further railway equipment orders are expected to be placed shortly. In addition there are large quantities of bridge and structural steel to be fabricated this winter for certain under takings to be started next spring, which will give the plants considerable work to do. One company in Montreal is reported to have sufficient orders on their books for pulp and paper equipment to keep their plant busy for two years.

Much Residential Building

A good sign of the growth and increasing prosperity of the country is seen in the way construction is holding up over last year's figures. Aside from the large industrial and engineering construction program in force this season, there is an unusually big increase in residential building. This has caused an abnormal demand for building supplies, not only in the larger centres but in the small towns.

Pulp and paper stocks received considerable attention on the Montreal and Toronto stock markets last week, one or two issues recording substantial advances. Such issues as Laurentide. Brompton, Spanish River and Abitibi shared in the advancement. There was also a fair amount of trading in power and traction stocks, Ottawa Traction reaching a new high. The Canadian bond market also shows strength. Government and municipal bonds at present are scarce, which has resulted in a keener demand for industrials. The Brompton and Canada Steamship issues were quickly taken up when they made their appearance. There is no immediate prospect of any large, new bond issue.

Merchants are borrowing more money just now to tide them over until the harvest is finished and also to finance new purchases. There is plenty of money available, which can be had at a very reasonable figure, as low as 5½ per cent. The bank discount rate remains the same.

Agricultural Survey

Weather Damages Crops
Wheat Prices Advance
Live Stock Sales Greater
Better Exports of Cheese

IT is now apparent that the crops, not only in the West, but in other parts of the country, have suffered from the unseasonable weather which has prevailed during the past two or three weeks. The most discouraging feature of the situation is that the greater proportion of the Western grain crop has been subjected to rain, snow and sleet. As a result grades will be lowered on a large quantity of grain and a small part of the crop will be at total loss.

Early last month the outlook for this year's crop was exceedingly promising and it was freely predicted that the yield of wheat would run from 370,000,000 to 400,000,000 bushels. The intitial threshing returns gave credence to these estimates, but the recent heavy precipitation, together with the cold weather and the consequent holding up of harvesting operations, has neutralized the early promises of a bumper crop. While above twenty-five per cent. of the total wheat crop has been safely threshed to date, it is considered that from two to ten per cent. of the balance will be lost. This estimate is only provisional, of course, and will be subjected to revision one way or the other when it is possible to make a more accurate survey of the damage.

The situation in regard to other phases of agricultural production continues to be satisfactory. Root crops are now being dug up and prospects are for a fair yield of turnips, beets, potatoes, etc. New apples are appearing on the market in greater abundance and their appearance confirms the earlier reports of improved quality and color. In the latter part of last week it was reported that the fruit growers of the Niagara Peninsula had been hard hit by a bad storm, but no details are available of the damage incurred.

Weather reports dominated the prices on the Winnipeg Grain Exchange last week and quotations fluctuated over a fairly wide range. Cash wheat displayed weakness at times, but closed at $1.42⅛ on September 25th, an advance of 2⅜ cents as compared with a week ago. October and May options showed further strength, substantial gains being made, while prices for other grains closely followed the trend of wheat. The export demand has not shown any pronounced improvement, the the only new feature in this situation being the rumor that France will make a reduction of 10 francs per 100 kilos on the import duty of wheat.

No marked change is seen in the market for livestock or dairy products, the domestic demand being fairly steady and export only fair. In connection with the domestic market for livestock, marketings at the Edmonton, Toronto, Montreal, Winnipeg and Calgary stockyards from the beginning of the year up to September 23rd last, show an improvement over the corresponding period of last year. With the exception of hogs, sales of all other livestock were greater this year.

Hand-to-mouth buying of dairy products continues and there does not appear to be any immediate prospect of a let-up in this policy until stocks on hand reach a lower level. Buying of butter for export remained indifferent, but there was a greater volume of cheese shipped to the Old Country.

Canadian Business Indicators

Compiled weekly by The Financial Post

	1926	1925
Car loadings, week Sept. 18	72,052	73,141— 1%
Year to date	2,159,248	1,939,099+ 11%
Merchandise shipped, year to date	598,992	562,812+ 6%
Building permits—August (63 cities)	11,874,552	9,511,008+ 24%
Construction contracts awarded, August	31,696,500	31,207,000+ 1%
Railway Earnings—Eight Months—		
C.P.R. gross	118,456,380	105,765,016+ 12%
C.P.R. net	22,183,198	15,368,302+ 44%
C.N.R. gross	165,783,341	146,661,997+ 13%
C.N.R. net	20,829,074	8,385,691+148%
Pig Iron Output—tons, August	58,780	26,513
Steel Ingot production, August tonnage	45,674	25,007
8 months to August 31	541,705	471,175+ 15%
Employment—August index	104.2	96.3
Newsprint production—August tonnage	162,545	120,656+ 34%
Automobiles produced—(Seven months to July 31)	140,086	105,687+ 32%
Immigration, 6 months to June 30	70,253	43,241+ 63%
Business failures—No. of firms, July	137	131
Liabilities, July	2,352,078	2,312,913+ 1%
Imports of key commodities, 12 mos. ending July—		
Rubber (raw, in pounds)	45,509,551	37,224,426+ 22%
Cotton (in pounds)	134,658,749	110,514,706+ 22%
Crude petroleum (in gallons)	613,795,257	493,243,206+ 24%
Exports of key commodities (12 mos. end. July 31)—		
Canned salmon, lbs.	654,179	754,577— 13%
Newsprint, cwt. (12 mos. end. July 31)	31,710,901	25,879,134+ 22%
Wheat flour, bbls. (12 mos. end. July 31)	10,896,654	10,169,692+ 10%
Wheat, bushels (12 mos. end. July 31)	275,557,078	146,958,158+ 87%
Grain Receipts, Aug. 1 to Sept. 17	13,348,527	23,138,811— 42%
Bank clearings, August	1,404,101,880	1,246,722,195+ 12%
Savings deposits, July (chartered banks)	1,329,909,816	1,255,005,214+ 6%
Current loans, July (chartered banks)	941,501,878	881,263,805+ 7%
Exports, 12 months to July 31	1,343,968,818	1,093,165,663+ 23%
Imports, 12 months to July 31	969,296,368	817,683,042+ 18%
Balance of trade, 12 months to July 31	374,672,450	275,482,621+ 36%
Price level, August index, 236 commodities	153.9	158.9
Cattle—Good, Toronto, Sept. 27	$7.50	Sept. (Aver.) $7.05
Wheat, No. 1, Nor. Winnipeg, Sept. 27	1.41	1.37
Pig iron (Number 1 foundry)	$24.80	Sept. (Aver.) $27.25
Hogs—Select, Toronto, Sept. 27	$11.75	Sept. (Aver.) $13.33
Bond sales, August	$12,999,645	$1,533,973
Life Insurance Sales, seven months	268,918,000	244,764,000+ 8%

CANADA HAS BIG CHANCE TO GAIN BRITISH MARKET

If Can Ship Quality Foodstuffs, Will Get Business —Larkin

A cablegram received by Hon. P. C. Larkin since coming to Canada stated that a trial order of 10,000 boxes of No. 1 Canadian butter per week for a period of ten weeks had been received. If it is demonstrated that Canada can satisfactorily fill orders for such quantities of high grade butter, exports of Canadian butter can be brought back to the high level Canada had many years ago.

One Canadian shipper can damage the reputation of Canadian butter, bacon, eggs, apples, or cheese, and bring down the price for all other Canadian shippers, Mr. Larkin said, in an interview with Canadian Grocer. To safeguard against this. the Canadian government has prepared strict regulations, and enforces the inspection and grading of all Canadian food products before exportation, so that they may be sold in the United Kingdom markets as graded foods of standard and uniform quality.

The results of this work are already becoming apparent, and the initial large order received for Canadian butter is an indication that the British buyers have confidence in the market work being carried on under the supervision of the high commissioner's office. Mr. Larkin is confident that when the Imperial govenment launches the publicity campaign it has in mind Canada will be in a position to obtain full advantage of it. Queried as to when this campaign would be launched, Mr. Larkin stated that as the British taxpayer was undertaking this campaign in the interests of the dominions, and was paying the total cost, that it was not a matter that could be hurried by any action of his office, but that they were taking steps that would assure Canada's successful participation when the campaign was started. He intimated that other dominions were already spending money of their own on independent campaigns to stimulate the popularity and consumption of their food products.

Britain Plans Big Outlay

Mr. Larkin gave some particulars of the publicity campaign referred to.

The British government had planned to spend $100,000,000 on a great publicity campaign intended to increase the consumption of empire food products in the United Kingdom. Owing to the unsettled industrial condition and the high taxation which still prevails this amount has been reduced to £500,000, and the Dominions of Australia, New Zealand, South Africa, and Canada are preparing to take advantage of this campaign. In the case of Canada, the various government departments have been busy preparing the trade for Canadian food products.

The system of inspection of food products must be perfected before the campaign is launched, declared the Hon. P. C. Larkin. W. W. Wilson, in charge of market extension work in the United Kingdom, has done good work in preparing regulations for the inspection of Canadian food products before they leave Canada, and all Canadian foodstuffs are now graded by Canadian government inspectors. As a result of this work, the quality of Canadian butter arriving in British markets has been greatly improved, and British buyers are again handling Canadian butter at good prices.

Eleven Per Cent. Increase in Our Foreign Trade

Canada's foreign trade during the first eight months of 1926 shows an increase of practically 11 per cent. over the corresponding period for 1925. Of this increase about one-third is due to exports, and the remaining two-thirds to imports. The favorable "visible" balance of trade now stands at $360,000,000 for the twelve months ending August, 1926, as against a similar balance for last year of $305,000,000. In 1923 the balance stood at $123,000,000, which means almost a 300 per cent. increase in three years.

Exports for the five months of the current fiscal year were $470,600,000, and imports $423,000,000. Foreign exports, that is exports of foreign goods which have previously been imported, amounted to $6,000,000 during the period. Duty collected during the same period amounted to $64,500,000, as against $57,800,000 last year, the biggest increase being from duty collected on iron and iron products. For the month of August, imports amounted to $89,600,000, an increase of $7,600,000 over last year, but exports decreased by $21,000,000 to $90,600,000. This decrease is due almost entirely to the very backward movement of agricultural produce, which has been very marked this season.

Saskatchewan Wheat Pool Makes Patronage Rebate

REGINA.—A new departure in the elevator history of Saskatchewan has been established by the decision of the directors of the Saskatchewan Pool Elevators, Ltd., to make a patronage distribution totaling $467,614 on wheat and coarse grains shipped through the 89 country elevators of the system, or loaded over the platform and consigned to the pool elevator terminals during the 1925 crop year.

Two cents a bushel will be distributed on wheat shipped through the country, and 1½ cents a bushel on platform shipments.

During the 1925 crop years the Saskatchewan Pool Elevators, Ltd., set a handling charge of four cents a bushel on all grades of wheat, and the present refund brings the new charge down to two cents a bushel.

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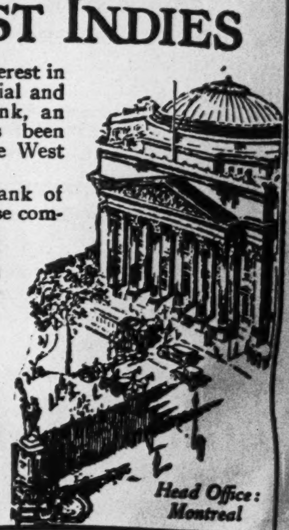

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RAILROADS CUT COSTS BY LOWER UPKEEP OUTLAY

Big Saving in 1923 Was in Maintenance of Way Charges

Recently prepared governmental analysis of operating expenses of Canadian steam railways during 1925 offers some good material for the student of Canadian railway problems. Net operating revenue for the year increased $20.00.000 over 1924 and stood at $83,147,631.

The main saving in operating expenses as compared with 1924 was in the maintenance of way and structures, which was cut by $4,000,000, and in transportation expenses, which dropped nearly $7,000,000. Included in transportation expenses are wages, which form 60% and fuel which forms about 15% of the total. Transportation wages increased by $400,000, but this was more than counterbalanced by the saving in fuel which amounted to $4,235,000 on 181,000 tons of coal.

Payroll Was Cut

The savings in maintenance and way and structures was largely due to a reduction in the payroll. This reduction was felt in the total payroll, which was reduced by over $2,000,000, the average number of employees being reduced by 3,900.

In order to estimate the significance of these various items it is first necessary to understand something about the nature of a railway's expense account. In Canada over 60% of railway expenses are constant and are quite irrespective of the amount of business carried over the lines. The operating expenses are composed of the following five items:

Maintenance of way and structures	20%
Maintenance of equipment	23%
Traffic expenses	3%
Transportation	50%
General expenses	4%

What Each Expense Is

General expenses are those incurred by the general officers of the company, such as the chief executives. Transportation expenses include the expense of providing the actual movement of cars along the line, the coal bill, and wages of train crews. Traffic expenses cover advertising and any expense incurred in the solicitation of business. Maintenance expenses, which form nearly half the total cost of operation, are perhaps the most significant group, because to a very large extent they can be adjusted as the management see fit. In other words this item of expense could be doubled or halved for a period of four or five years, with a revolutionary effect upon net earnings but without making any great difference in the outward condition of the railway. Thus it is of no value to compare maintenance expenses from year to year unless we compare them at least over a five-year period. Naturally, expenses of this nature cannot be deferred indefinitely, but it is quite possible to defer maintenance for many years without disastrous results to the roadway and its rolling stock.

Co-operation Cuts Fuel Bill

Last year the railways saved $7,000,000 on transportation expenses, largely on account of a saving in fuel. This is perhaps the most encouraging phase of the expense account, because the use of coal to generate steam on a railway has always been a wasteful and extravagant procedure. The reason that is given for this saving is the use of larger and improved engines, the average tractive power being nearly 34,000 pounds per locomotive, as against 32,700 lbs. in 1923.

A comparison of the percentage of operating expenses that went to maintenance during 1925, shows that in the last five years the amount spent in maintenance of way and structures has been gradually decreasing, while the amount spent on equipment has remained fairly constant. The payroll is a big factor in the maintenance of way and structures and this year the reduction in the number of employees, which commenced in 1923, has been continued. The first eight months of 1925 were very bad for railway earnings and drastic steps were taken to curtail expenses. Fortunately, the enormous wheat crop that was carried last year enabled the railways to make the good progress that is shown by the year's results. When the C.N.R. system was created in 1922 there was practically no reduction in the permanent staffs of the various railways, but the policy at present is to superannuate a good number of men each year without taking on any new men to take their places. Thus the permanent staff is slowly but surely being reduced.

Freight Trains Loaded Heavier

Freight train loading for 1925 was considerably heavier, due to the grain movement and the tons of revenue freight were greater by 24 tons per train. Consumption of fuel per train mile was 8.26 tons per 100 freight train miles, as compared with 8.59 tons in 1923. This item of expense depends very largely on the co-operation of the engineers and one railway in the United States which has spent much time and money on various experiments has successfully solved the problem by securing the successful co-operation of the train crews.

Unfortunately, the income tax on the roads was heavier, so that after tax accruals were deducted from the net operating revenue, there remained only $24,112,923, and after fixed charges had been met there was a deficit of $1,899,542.

New mileage was opened chiefly in the three Western provinces amounting to 500 miles, which was somewhat counterbalanced by the reduction elsewhere of 215 miles of track.

MILLIONS COULD BE CUT OFF TAXES BY GOOD BUSINESS

(Continued from page 1)

uncontrollable expenditure such as debt charges formed such a large part of governmental expenditures, there is little leeway in effecting savings. Perhaps, so, but there has been no consistent effort in Canada as a whole, to establish the limit of possible savings as a preliminary to making them actual. It has been variously stated that at most "only" ten or fifteen million dollars could be cut from the ordinary current expenditure by the most drastic methods. The word "only" is symptomatic of a prevalent state of mind. Fifteen years ago, few would use such a word in referring to such an expenditure.

In the municipal field, particularly in the west, a real beginning seems to have been made in curbing expenditures. The four western provinces and two eastern had lower per capita expenditures in 1924 than in 1923 In Dominion expenditures, both including and not including trading deficits, there has also been a per capita decrease in current expenditures.

The possibility of further cuts in all three fields, would seem evident if sound principles of administration are everywhere, and at all times, applied.

Controlling Wage Bills

Money may be saved through control of personnel.

The annual municipal salary and wage bill may be estimated at between $100,000,000 and $120,000,000. Probably from 40 per cent. to 50 per cent. of most Canadian city's revenue goes to pay salaries and wages. The total provincial expenditures are $122,000,0000 annually so that probably $20,000,000 would not be too large an estimate of annual provincial payments on salaries and wages. In 1924, the Dominion civil service payroll, exclusive of country post masters, exceeded $48,000,000 and the total federal pay lists were over $74,000,000 according to the auditor general. The combined public payroll probably amounts annually to $200,000,000. It is not suggested here that economy in this huge payroll should be brought about by wholesale dismissals, much less by reductions in rates of pay. In many cases, economy might consist in the elimination of unnecessary employees and increasing the salaries and wages of those who remain. This has actually been done in some cases and, no doubt, could be duplicated in hundreds of others. It is a matter of common knowledge that there are departments in which some employees are overworked, while others do not have enough real work to keep them busy. A weeding out process with worthwhile increases in reward for faithful and ambitious employees would effect a great stimulus to public services throughout the country with an accompanying impressive reduction in the salary and wage bill.

Too Many in Public Service

It has been estimated that in the United States one in every nineteen gainfully employed and one in each 44 of the population is in some branch of the public service. Available information, though slight, would tend to indicate that the proportions are not less in Canada. In one large Canadian city one in 134 of the population is in the public service. If the average proportion in municipalities is as high as 1 in 55, the total number of municipal employees would be about 165,000. The total for all public employment could hardly fall below 200,000 and might reach 250,000. Something can, undoubtedly, be done in a country with a national government, nine provincial governments and some 5,000 local governmental authorities to lower the burden by consolidation and co-operation; but in the meantime a great deal can be done, without altering the form of government, to stop the trend toward an increase in the public service and even to reduce greatly the personnel without decreasing the quantity and quality of governmental services. There should be an urgent call, on the part of the tax and rate paying public, for a thorough study of the organization and personnel of every department—national, provincial and municipal—and stern resistance should be offered to every attempt to compel governments to undertake services which could be rendered as well or better by private effort under government regulations.

An example of what can be done in this direction, is afforded in the annual report of the Federal Civil Service Commission for 1924-25, which document every citizen of Canada really interested in public affairs should read and digest.

Reducing Number of Offices

Money may be saved by cutting down the number of departments.

A tendency in all business, public and private, is the multiplication of departments and administrative units. This is human nature. In private business the necessity for making profits largely counteracts this tendency, particularly in hard times; but in public business the necessity for votes and the longing for jobs in the public service, particularly in hard times, accentuates the tendency. It has been stated that "one of the most potent causes of the waste so long complained of in the Dominion Government service is the fact that each department is just about a water-tight compartment—without co-ordination — without any central co-ordinating supervision." The larger the administrative machinery, the more apt this is to be true, but the same condition is apparent in various degrees in provincial and municipal administration. Municipal departments in the various cities of the Dominion vary between 5 or 5 and 29 or 30. The amount of mechanical friction and waste motion that results can only be imagined. It is encouraging to note in the provincial, municipal and national fields, that there are strong indications of improvements, but the tendency will not become a firmly established policy unless the people who pay the bills so will it.

Proper Accounting Methods

Money may be saved by standardization of accounting, reporting and so far as possible, of administrative organization.

The use of accounting for purposes of administrative control is practically universal in private business. Not so in public business. How, for example, is it possible to control expenditure on salaries and wages when no one knows how much of the total expenditure goes to salaries and wages? Often within the same department, the classification of accounts may be partly according to function and partly according to object of expenditure. Under such conditions accounts may adequately protect against theft, but they are practically useless from the standpoint of administrative control of expenditures. It is, of course, true that local requirements will result in differences in details or organization, accounting and reporting, but there is absolutely no reason except inertia and prejudice why there should not be practical agreement on all essentials, which would be reflected almost at once in public documents and shortly, thereafter, in increased public interest and reduced expenditures.

Budgeting Capital Expenditure

Money may be saved by budgeting capital expenditure over a term of years.

The time to control so called uncontrollable expenditures is before they are authorized. To this end all proposed capital expenditures should be listed over ten-year periods. Tentative plans should be made 10 years in advance, and, while of course, subject to change every year, such plans should be made the guide of each succeeding administration. The policy of deciding on each capital expenditure by itself without reference to the whole capital needs is one of the prevalent causes of waste and extravagance whether in the municipal, provincial or national fields. The annual capital budget should be prepared even more carefully than the current budget, as the capital budget of this year infallibly reflects itself into the current budgets of future years.

Money may be saved by control of purchasing.

Next to control in personnel, control of purchasing including contracts is most important and offers the greatest field for immediate savings. Anyone knows how easy it is to waste money in purchasing. In fact, there is always waste unless there is definite and sustained effort to prevent it. If there is no, or insufficient, centralization of purchasing there infallibly is waste. Inefficiency, patronage or favoritism in purchasing are possibly more disastrous to public morale than patronage in the civil service and it is quite as essential that the merit system should be established in purchasing and contracts as in personnel control. It is probable that not much less than $200,000,000 annually is spent on purchases, including contracts necessary for public services, out of revenue and borowed funds by the various governing bodies in Canada. A saving of 20 per cent. on this total would be $40,000,000 annually. If this guess is at all near the mark, about $60,000,000 a year might be saved by purchasing and personnel control in the Dominion, provincial and municipal fields, an amount greater than the railway deficits, greater than the whole of the proceeds of the income tax, about 40 per cent. of the proceeds of the combined customs and excise, about 17 per cent. of the total national current expenditure and over 10 per cent. of the total taxation—national, provincial and municipal.

Controlling Growth of Government

Money may be saved by control of growth of government services.

The citizens, as a whole, must be on their guard against the continuous pressure for the increase of governmental services. The citizens, as a whole, must be on their guard against the continuous pressure for the increase of governmental services. The basis should be public needs, not what some enthusiastic, militant but frequently, incompletely informed group of the public want at the expense of the whole public, the great paying public being absolutely inarticulate and hence ignored by appropriating bodies. The next few years, however, should be years in which the public belt is tightened, in which expenditures will be on the basis of needs, not of wants, where a close discrimination will be made between those proposed expenditures which will be productive and those which will have no stimulating effect on production. There is no intention here to interpret the word production in a narrow sense. For example, expenditure on education is productive, but there is a great deal of difference between productiveness of money spent on brains and character through teachers' salaries and that spent on bricks and mortar through annual debt charges. Very often when "uplifters" are making vociferous demands on public bodies for increased expenditures on services valued by them, a careful inquiry may show that the same, or better, results can be obtained by other methods and without the duplication which often follows the establishments of new services without adequate previous inquiry. Usually advocates of special policies are so deeply interested in those policies that acceptance of them is the only desideratum outcome which they will consider, with no reference to the costs involved, or the steps which must be taken to effect adequate administrative control over the proposed expenditure when made.

Taxes Part of Overhead

There is one part of the overhead of a business over which the business has no direct control. That is the element called taxes. There was a time when taxes formed such an inconsiderable portion of the total overhead in a business that it caused little worry. A reduction in the amount of taxation to the total turnover of private business would now be a welcome reduction in the overhead on private business. An excessive overhead is one of the most fatal diseases which can attack a business, a reduction of taxation in relation to the total national business would provide a real stimulus to business and industry which in turn would be able better to bear taxation. Governmental expenditure is the national overhead and in this national overhead there is also an element of overhead, which may be regarded as an overhead on overhead. It is this element, the growth of which is most dangerous and at the same time most responsive to well considered methods of control. This control will be exercised when the citizens and taxpayers of Canada betray a practical interest in governmental expenditures which will make economy in public affairs a matter of practical politics.

Canada Third in Wealth

MONTREAL.—An interesting estimate of Canada's per capita wealth has been made by the League of Nations, with comparative figures of 22 years ago. In 1925 the per capita wealth in this country amounted to $2,406, as contrasted with $1,100 per capita in 1903. Out of the 35 nations listed, Canada ranks third, the United States showing $2,918 and Great Britain $2,459 per capita, respectively.

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Securities Markets

THE STOCK MARKET IS NOW BECOMING ONE OF SELECTION

General Movement is Sideways Rather Than Forward

MARKET INDICATOR

20 Industrial Stocks		
Week of Sept. 29	103.1	100.1
Week of Sept. 22	102.8	99.6
Month of Sept., 1925	82.8	76.9
9 Bank Stocks		
Week of Sept. 29	$224	$223
Week of Sept. 22	226	224
Month of Sept., 1925	215	211
10 Public Utilities		
Week of Sept. 29	99	97
Week of Sept. 22	97	95
Month of Sept. 1926	92	88

Despite the continued strength of the stocks in the paper, steel, foodstuffs and utilities groups, the market generally has moved sideways rather than forward during the past week. Weakness in the bank stocks and the marking down of a majority of the tractions largely offset the advances in some of the other groups. The market has become a distinctly selective one with individual stocks reflecting speculative opinion as based upon the interpretation of reports of business, profits or prospects. In this respect Montreal and Toronto have fallen into step with a pace which Wall Street has been travelling for some time. Looking to Wall Street as a guide there are indications than distribution rather than accumulation has been going on of late and such indications usually precede a decline rather than a rise. However, as previously pointed out, the market has recently been a thing of individual groups and even of individual stocks rather than of broad general movements.

The following summary shows the effect of the week's developments on the Canadian markets by groups:

	Gains	Losses	Unch.	Ttl.
Banks	1	7	1	9
Paper	5	4	5	14
Steel	9	4	16	29
Foodstuffs	13	11	18	42
Utilities	10	9	10	29
Tractions	3	6	5	14
Textiles	3	3	8	14
Industrials	12	11	25	48
Totals	56	55	88	199

The one bank stock to show a gain on the week's trading has been the Commerce. There has been nothing to cause the general decline noted unless it has been the effect of the unfavorable conditions on agriculture and general business, following a period of considerable optimism.

In the paper group Brompton and Laurentide have been leaders in the advance. Other common stocks generally have held their ground while a number of the preferreds have sold to lower levels. News in the pulp and paper industry continues to be generally favorable but there are indications that there will be a period of over-production — temporary, no doubt—when the plants now being constructed are brought into production.

With the exception of the McKinnon stocks, for which there has been a strong demand, stocks in the steel group have not shown marked changes although the bulk of these changes have been to higher levels. Steel of Canada has sold off fractionally, although the preferred has moved up a point. Dominion Bridge sold off a point. Canadian car common and preferred advanced and Locomotive preferred moved up to 86.

Important milling stocks like Lake of the Woods and Maple Leaf have shown declines, and this section of the foodstuffs group has been weak as a whole. There was a considerable flurry in Loblaw but the net change was not important. Arnolds and Atlantic Sugar advanced moderately. City Dairy moved up to 80.

In the tractions stocks in the utilities group there has been some reaction after the spectacular buying of shares of Brazilian, Barcelona and associated companies. It has been generally realized that for the time being these stocks have been given a value which discounts very favorable developments in the future which seem warranted but are not by any means assured. Other traction shares have evidently been influenced by the sentimental reaction. In the utilities Quebec and Ottawa Power have shown strength, while there has evidently been profit-taking on the part of holders of the shares of some of the recent market favorites.

In the textiles, Dominion Textile and Penman's have sold off. The outcome of the election has evidently not been very favorably registered by holders of stocks in companies engaged in this industry. In the general industrials changes have not been very important.

Breweries Dividend Not Likely to be Increased

From Our Own Correspondent.

MONTREAL.—The recent increase in the market price of the shares of the National Breweries was accompanied by the usual crop of rumors, one of which indicated that an increase in the dividend rate was in prospect. But such a rumor hardly seems reasonable, and official information has already indicated that there is no prospect of any change in the dividend rate for some time to come. The volume of orders which the company is receiving is being maintained at a satisfactory level.

Besco is Making Big St. Lawrence Shipments

From Our Own Correspondent.

HALIFAX.—The vice-president of the British Empire Steel Corporation, J. E. McLurg, has declared that 2,000,000 tons of Nova Scotia coal will be shipped up the St. Lawrence this year, and that the collieries of Nova Scotia will be operated full time up to November 20. At the moment, the corporation has had more orders for Cape Breton coal than can be filled. The placing of 2,000,000 tons of coal in the St. Lawrence market is about 150,000 tons below expectations, due to a lack of miners in many of the Cape Breton mines. Mr. McLurg has also declared that the Sydney steel plant would continue its present scale of operations during the coming winter.

Dominion Glass Said to be Earning Dividend

From Our Own Correspondent.

MONTREAL.—Of late, the shares of the Dominion Glass Company have been weak and sold as low as 84 ex-dividend, but prices have reacted from this low point. Some time ago there was rumored the possibility of a cut in the dividend, but it is now said that the company's business shows a little improvement over last year. If this be so, it would appear that it would just about earn the dividend requirements for the year ending September 30, 1926. However, no information has been given out on earnings, and there are still some conflicting reports about the results which are being obtained. Last year the company earned $437,037 net profits applicable to preferred, and common dividend requirements of $479,500.

Sherwin-Williams Co. Outlook is Promising

From Our Own Correspondent.

MONTREAL.—The earnings of the Sherwin-Williams Company of Canada for the fiscal year which ended August 31, it is understood, will show a substantial increase over last year. Earnings in the 1925 year amounted to 8.97 per cent. on the common stock. The growing earnings over the past few years have repeatedly brought up for discussion among investors the possibilities of a split in this stock. Strength in the stock of late has again revived these rumors, but at the present time there seems no indication that the management proposes to take any such action, although, no doubt, it will come in time.

What with the increase in the volume of construction in this country and the generally satisfactory industrial outlook, the present fiscal year of the company looks promising, and the results experienced to date are satisfactory. Sherwin-Williams is the one predominant factor in the Canadian paint industry, and as such can be relied upon to obtain its fair share of the business offered during the present year. Moreover, after January 1 next, the company will have no bonded debt with its annual charges on earnings.

Kelly Goes to St. Maurice

MONTREAL.—Raymond Kelly, formerly the general sales manager of the Kimberley-Clarke Company, of Neenah, Wis., has been appointed a director and vice-president of the St. Maurice Valley Sales, and will have his headquarters at the general offices of the company in Montreal.

No Compromise in Security Values
DEMAND STERLING REPORTS
CERTIFIED REGISTERED PROFESSIONAL ENGINEERS
Sterling Appraisal Company Limited
9-11 E. Wellington St. Toronto

MOVE TO MAKE SCOTIA A UNIT FREE OF BESCO

Steps Being Taken to This End in the Maritimes

HALIFAX.—An application for the appointment of the Eastern Trust Company and D. H. McDougall as joint Receiver-Managers of the Nova Scotia Steel and Coal Company was made when the receivership hearing in the Nova Scotia case was resumed before Mr. Justice Carroll in the Supreme Court. The application was made by C. B. Smith, representing the shareholders, and was opposed by Stuart Jenks, K.C., representing the British Empire Steel Corporation.

Now that Scotia, as a subsidiary of Besco, has failed to make reasonable progress, the opinion has again been revived that if Scotia were separated from Besco, she should plan to establish blast furnaces on Pictou harbor, improve the finishing mills at Trenton, and perhaps establish other finishing mills in Central Canada, British Columbia, and possibly Europe, in order to care for the increased output of an economical blast furnace of her own.

It is being urged that under the present Besco arrangement, Scotia is being charged a very large sum monthly, as an overhead contribution, or charge, towards Besco's running management expenses. It is said that Scotia's contribution runs into hundreds of thousands of dollars annually.

For a long time, too, it has been rumored that since the Scotia blast furnace at Sydney Mines was abandoned, Scotia has been paying to Besco more for her pig iron, blooms and other requirements than the price she would have had to pay in the open market, and that, consequently, the earnings of the Trenton plant have been correspondingly small.

Such representations, whether well founded or not, are being used to urge the necessity for the divorcement of Scotia's business and interest from those of Besco, and the re-establishment of the Nova Scotia Steel and Coal Company on a separate and improved basis.

Belding-Corticelli Shares Attractive

From Our Own Correspondent.

MONTREAL.—The preferred shares of Belding-Corticelli have been changing hands lately on the curb at $80 a share. At this price, these shares look very attractive, for, not only do they yield the investor 8.75 per cent., but the earnings on the preferred stock last year amounted to 28 per cent. Over the last five years, earnings have never been below 13.57 per cent. on this stock. Last year, the company had net earnings of $242,166, with which to meet preferred dividend requirements of only $60,571.

The company's year ends November 30 next and, as far as can be learned, there is every expectation that earnings during the current year will be maintained at the rate experienced in 1925. Thus, any investor who requires a high yield on his holdings can find a very attractive issue in Belding-Corticelli preferred. The outstanding capitalization of the company consists of $400,000 in 5 per cent. bonds; $865,300 in 7 per cent. cumulative preferred and $749,500 in common stock. Thus, there are but 8,653 shares of preferred outstanding, and most of these are closely held. There is, of course, but a narrow market for the shares and thus it is the stock sells on such a high yield basis.

Loew's Toronto Theatres Reducing Funded Debt

Marcus Loew's Theatres, Ltd., Toronto, has paid off the 8 per cent. second mortgage notes which were outstanding to the amount of $196,000 and which matured September 1. The total authorization of this issue was $400,000, of which $250,000 was issued to the public and the balance pledged to the bank. Cash on hand permitted the company to take care of practically half the issue outstanding, the remaining amount being secured by loan from the bank at a much lower rate of interest than the 8 per cent. on the original notes. This means a substantial saving to the company. Loew's has made steady progress in redeeming the funded debt, and, out of an original issue of $600,000 of first mortgage notes, only $334,000 remains outstanding, the rest having been redeemed by the operation of a sinking fund.

A. H. Carson formerly accountant at the Victoria branch of the Bank of Montreal has been appointed manager at the Ashcroft, B. C., branch of the bank, succeeding H. L. G. Austin, who has retired.

Dominion Textile Will Not Expand in the Rayon Field

Company Now Operating at About 85 Per Cent. Full Time, But Textile Industry Lags Behind General Wave of Prosperity

From Our Own Correspondent.

MONTREAL.—The Dominion Textile Company will not enter the rayon field. Some time ago, the management studied carefully the possibilities of manufacturing rayon, or artificial silk, and it was thought that eventually the manufacture of this product might be undertaken. But after giving consideration to the possibilities of the field, the management decided against expanding along these lines. And as far as can be learned no future expansion in the rayon field is even contemplated at the present time.

The Dominion Textile Company's mills are now operating at about 85 per cent. full time. This is considered to be a good showing in view of the competition which the cotton textile companies have been experiencing from countries with depreciated currencies, such as France, Belgium, and Czecho-Slovakia.

The textile industry as a whole has materially less protection to-day than it had in 1914. Each year some reduction has been introduced in the tariff—usually in the shape of a draw-back which has lowered the amount of protection afforded the industry. To quote some instances: In the automobile industry a draw back of 25 per cent. was given by the Government. This was a serious blow as cotton textiles figure largely in different stages of automobile manufacture. Particularly is this true of the manufacture of tires, where the cotton is used to make up the fabric.

Again, the harvester manufacturers received a draw-back. This had its effect on the belting and canvas departments of the textile mills.

Then, the salt firms received a 60 per cent. draw-back. This reduced the amount of protection from 15 per cent. to just about 6 per cent. With such little protection, the textile producers have difficulty in holding the market for salt bags.

Competition From Abroad

Then, the Canadian textile manufacturers must contend with the lower wages prevailing elsewhere. Most striking is the comparison between the British and Canadian wages and the hours of work—in both instances the comparison is unfavorable to the Canadian mills.

The average English wage before the war was £1 a week on a 55½ hour week basis. To-day the wages in Britain are 64 per cent. more than the pre-war rate. Canadian wages in pre-war days were materially in excess of the corresponding English rate. Now the Canadian wages have increased 120 per cent. above the pre-war basis. Further, in the English textile industry, there are 40 per cent. male and 60 per cent. female workers; in Canadian mills a larger percentage of men are employed. All this naturally affects the Dominion Textile Company.

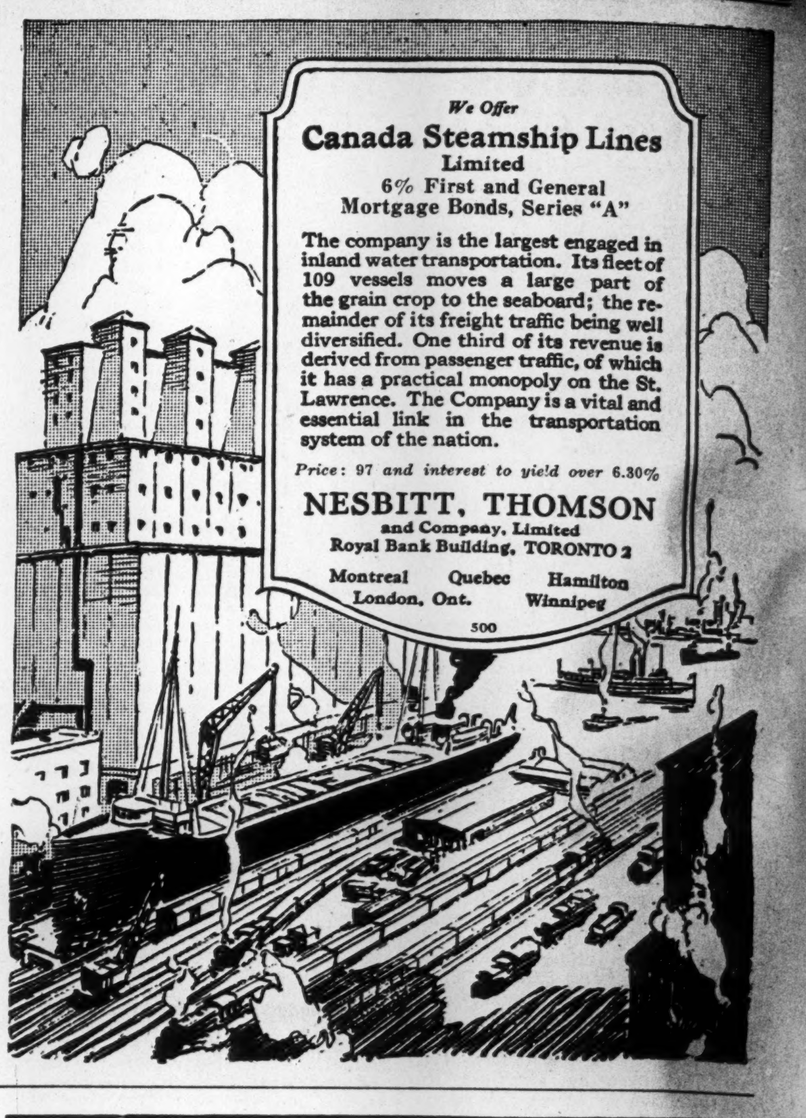
Another consideration in the Canadian situation is the need to maintain adequate machine shop equipment to care for inevitable br[illegible] or else a very large stock of repair parts must be carried. This difficulty is not encountered in the English textile plants as there are many equipment and textile machinery companies in close proximity to the mills. No such situation exists in Canada.

Must Carry Cotton

The average mill in Canada carries a three months' supply of cotton. It is a rarity to find a spinning mill with a warehouse in England. For there the mills order a week's supply, or contract with the shipper for a scheduled supply of raw material.

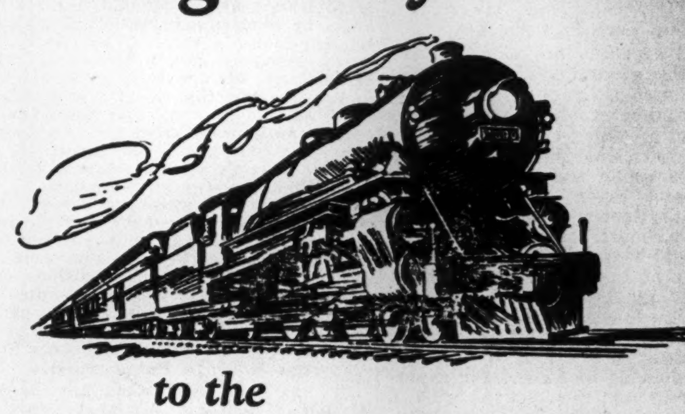
The Dominion Textile Company owns eight cotton plants which take the raw material, spin and weave it. It also owns a bleachery and print works and turns out the product in every conceivable form, from string to cotton blankets. The uninitiated might be surprised at the number of lines manufactured by this largest of Canadian textile companies. Dominion Textiles turns out over 3,000 different lines. This gives some idea of the magnitude of its operations. It turns out also practically every variety of yarn. Such a wide variety of lines means that with changing fashions the company must naturally arrange to carry large stocks of some lines over long periods.

The company's year ends March 31, 1927. For the first six months of this year, it is understood, earnings have been much about the level experienced last year, although the competition has been somewhat more severe than in 1925. The strong financial position of the company has, of course, been maintained.



We Offer
Canada Steamship Lines
Limited
6% First and General Mortgage Bonds, Series "A"
The company is the largest engaged in inland water transportation. Its fleet of 109 vessels moves a large part of the grain crop to the seaboard; the remainder of its freight traffic being well diversified. One third of its revenue is derived from passenger traffic, of which it has a practical monopoly on the St. Lawrence. The Company is a vital and essential link in the transportation system of the nation.
Price: 97 and interest to yield over 6.30%
NESBITT, THOMSON and Company, Limited
Royal Bank Building, TORONTO 2
Montreal Quebec Hamilton
London, Ont. Winnipeg
500

Lehigh Valley Service



to the
Pennsylvania Station
(32nd St. & 7th Ave.)
New York
All through trains of the Lehigh Valley Railroad arrive at the Pennsylvania Station in the heart of New York City, near hotels, theatres, subways, business and shopping districts. Long Island Railroad trains use the same station, affording convenient connections to Long Island points.
Tickets, reservations, and information at City Ticket Office, Canadian National Railways, or Lehigh Valley Office, 13 King Street West, Toronto, Phone Elgin 2214.
Lehigh Valley Railroad
The Route of The Black Diamond

Trower Joins Tooke Brothers

W. K. Trower, vice-president of Montreal Securities Corporation, has been elected a director of Tooke Brothers. Other directors are W. A. Tooke, president; Lieut.-Col. C. W. MacLean, vice-president; William Hanson, W. S. Barker, N. A. Gault and W. M. Weir.

BENNETT, HANNAH & SANFORD
Barristers, Solicitors, Etc.
Calgary, Alberta—Canada.
Hon. R. B. Bennett, P.C.K.C.
P. L. Seaford, B.A. A. Hannah
O. H. E. Might, E. J. Chambers, LL.B.,
H. G. Nolan, M.C.M.A.

Well Secured Corporation Bonds

The following bonds have been issued by strong Canadian corporations. They provide good security and substantial interest:

Security	Rate %	Due	Price	Yield %
Montreal Tramways Company, Ltd.	5	1941	98.50	5.15
Duke-Price Power Company, Ltd.	6	1966	103.25	5.80
St. Maurice Valley Corporation	6	1945	100.00	6.00
Fort William Paper Co., Limited	6	1946	98.50	6.13
Port Alfred Pulp & Paper Corporation	6½	1943	102.50	6.25
Ste. Anne Paper Company, Ltd.	6½	1946	100.00	6.50

Full information regarding these bonds will be gladly furnished upon request.

36 King Street West, Toronto.
Telephone: Elgin 4321.
Wood, Gundy & Company Limited

Public Utilities

EXCELLENT GAIN MADE IN EARNINGS BY INTERNATIONAL

Subsidiaries Also Are Expanding and Bettering Their Earnings

MONTREAL.—Accompanying the quarterly dividend cheques going forward to the preferred shareholders of the International Power Company is the record of earnings covering the first six months of the year. There has been a decided increase in both gross and net revenues as the following figures show:

6 Mos. Ended June 30 1926	1925	Increase
$1,048,933	$891,483	$157,450
540,587	462,138	78,449
$ 508,346	$429,345	$ 79,001
135,495		
$ 372,851		
123,221		
$ 249,630		
6,750		
$ 256,380		
140,000		
$ 116,380		

The 1925 figures are not carried down in the foregoing, as the company was only formed at the close of that year. In dealing with the progress of International Power, Investment Items, published by the Royal Securities Corporation, says in part:

The light, power and traction properties controlled by International Power Company in Latin-America and Newfoundland are making very satisfactory progress. These properties, all of which have been operating successfully for not less than fifteen years, are already benefiting from the improvements and extensions which are gradually being inaugurated by the new management, coupled with the growing commercial development of their territories.

Dealing with the subsidiary companies, Investment Items says in part:

Venezuela Power Company

This company generates and distributes electric power in the cities of Maracaibo and Barquisimeto, Venezuela. The present steam plant of Venezuela Power Company is operating at capacity. Owing to the difficulty of expanding at the existing site in the centre of the city, it was decided to construct a modern steam power station on the lake shore about four miles away. Construction is proceeding rapidly, and the new plant is expected to be in operation in October.

At Barquisimeto the existing producer gas plant has been heavily loaded, and a new hydro-electric station is being built by Montreal Engineering Company to meet the increasing power requirements of the district. The new plant should be in operation by about the end of the year.

San Salvador Electric

As this company's two existing hydro-electric power plants are loaded to capacity, a thorough investigation has been made of other available water-power sites, and steps are being taken to acquire the most suitable of them. Conditions are being studied so that when conditions are opportune the company may proceed with a well-considered plan of expansion.

Recently power plants and distribution system have been overhauled, a new sub-station has been constructed, and the capacity of its ice plant has been doubled.

Newfoundland Light & Power

To provide for growth in business, this company's hydro-electric generating station is being reconstructed and enlarged. The completed plant will have a capacity of 6,900 h.p., as compared with the existing capacity of 4,200 h.p.

The street railway was completely reconstructed and re-equipped last summer.

Demerara Electric

The present franchise of the company will expire in 1930, and negotiations with the town council of Georgetown and the government of British Guiana for a new franchise are practically completed. The new franchise will include a fifteen-year contract with the city for the supply of electric light and power for water and sewerage systems, and should enable the company to materially increase its earning power.

Bolivian Power

This company reports a healthy increase in earnings, and the volume of new business offering is expected to necessitate an increase in plant capacity in the near future. There are several methods by which the company's production of electricity can be increased, and this situation is being studied.

Bell Telephone Decision is Still Some Time Away

From Our Own Correspondent.

MONTREAL.—The final conclusion of the Bell Telephone Company's application for a revision of rates before the board of railway commissioners seems to be still at least three or four weeks away. The company is asking for rates which will increase its total telephone operating revenue by around $2,700,000 annually. Last year the total operating revenue amounted to $26,168,977. Thus the increased revenue which the company requires to allow sufficient charges for depreciation represents an increase of something over 10 per cent. in the average rates.

McLimont Says Outlook for Winnipeg Excellent

From Our Own Correspondent.

MONTREAL.—Shareholders of the Winnipeg Electric will be interested in the remarks recently made by A. W. McLimont, the president of the company, in the course of an address made this week in Winnipeg. Mr. McLimont pointed out that the outlook for the future of the city was of the best and that he was developing plans for another power plant of greater capacity than any of the power plants at present serving Winnipeg; this would be situated at a site sufficiently close to the city to permit of the economic transmission of power.

He pointed out that, to his knowledge, there were four companies sufficiently satisfied with their holdings in the mineral areas of Manitoba to warrant the investment of further capital, and anticipated that, within twelve to eighteen months, there would be 1,000 to 1,500 h.p. used in mining operations there. Referring to the city of Winnipeg itself, Mr. McLimont mentioned the large construction programme which had been carried out this season; this, he said, could be taken as a good expression of faith in Winnipeg.

Referring to the Great Falls power plant, he stated that the highest expectations of the company were being realized and that contracts had been signed during the past nine months for over $1,000,000 in power annually from the plant. He predicted that within four years the total output of the plant would be sold. At that time the company would probably undertake the development of another power plant of greater capacity than any of the plants at present serving the city.

Quebec Power Makes Sales

MONTREAL.—It is understood that the power contracts of the Anglo-Canadian Pulp and Paper Mills and the St. Regis Paper Company will go to the Quebec Power Company. These companies are erecting mills at Limolou and Cap Rouge; both sites are in the immediate vicinity of the city. It is rumored also that contracts for the immediate sale of power are also being arranged—such power would be used in the construction programme of both companies.

RAILWAY EARNINGS

Canadian Pacific

Week end.	1926	1925	Change
Sept. 21	$4,391,000	$4,629,000—	$238,000

Canadian National

Week end.	1926	1925	Change
Sept. 21	$5,449,992	$5,264,296+	$185,696

Market Valuation of "Power" Assets is $174,000,000

From Our Own Correspondent.

MONTREAL.—The shareholders of Montreal Light, Heat and Power Consolidated unanimously approved the by-law creating a first refunding and collateral trust bond issue of $75,000,000 at the special general meeting held this week.

Of the authorized issue, $30,000,000 will be sold, it is understood, to Wood, Gundy and Company. The issue will bear interest at 5 per cent., and will mature October 1, 1951. The proceeds will, of course, be used to redeem the present issue of preferred stock. The latter bears interest at 6 per cent. per annum; thus the company will make a not inconsiderable saving in annual interest charges.

This is the first issue of bonds ever sold by Montreal "Power," and is one of the largest public utility issues ever sold in this country. As a recent bond issue of the Shawinigan Water and Power Company, paying 5 per cent., was sold to the public in New York at a little over par, it is anticipated that the underwriters will offer the bonds publicly at around par. The offering will be made next week.

Since the inception of the company, each increase in the dividend has been accompanied by a corresponding rate reduction. The company has maintained a generous allowance for depreciation and has annually written off an amount equal to 10 per cent. of its gross revenues during the past sixteen years. At the present time the number of customers connected to the company's gas and electric systems is increasing at about the rate of 20,000 per annum.

The Market's Valuation

It is understood that earnings during the current year are equivalent to about 3¼ times the bond interest requirements—this is after the deduction of all annual charges. In any consideration of the new issue it is significant to note the equity which the stock market places on the bonds. Montreal "Power" now has about 2,000,000 common shares outstanding; at present market prices this gives the common stock a valuation of $144,000,000. Thus, including the new bond issue, the market places a total valuation on the property of around $174,000,000.

There exists a considerable interest in the new issue, due to the widespread investment attention which the company has received and to its exceptional earnings' record. In 1902 the gross revenues of Montreal "Power" totaled $1,760,285 and, in 1925, this figure increased to $18,348,806. Moreover, during this period, in each individual year, both gross and net earnings increased, and also the revenues from both gas and electric service also showed an unbroken record of annual increases. The dividend record since 1902 has remained unbroken; annual dividend payments since in that year were $587,000, as compared with $5,119,000 in 1925.

The subsidiary companies of Montreal "Power" had bonds outstanding to the extent of some $25,000,000 at the close of 1925.

Ontario Bakeries Take Steps to Decrease Stock

By a reduction in the preferred stock of 30,000 shares, Ontario Bakeries, Ltd., has undertaken to decrease its capital stock. The new capitalization of the company shows 20,000 preferred shares of $100 each, and 100,000 shares of common with no par value. This small city bread chain, which was organized last spring, now controls 19 bakeries throughout Ontario, with a total output of 180,000 loaves per week, in addition to fancy baking. Capitalization includes an issue of $2,500,000 of 6 per cent., first mortgage bonds, which mature in 1946.

C.P.R. Net Earnings Are Up About Thirty Per Cent.

Gross earnings of the Canadian Pacific Railway for August showed an increase of $1,209,025, while net profits were higher by $123,594. For the eight months of the year, gross showed an increase of $12,691,364 and net $6,814,895, or better than 30 per cent.:

	August, 1926	Increase
Gross Earnings	$16,630,173	$1,209,025
Work. Exp.	12,324,798	1,085,430
Net Profits	$ 4,305,375	$ 123,594

From Jan. 1—	1926	Incr.
Gross Earn.	$118,456,380	$12,691,364
Net Profits	22,183,198	6,814,895

The showing for the eight months as to net is the best since 1917. Gross for the period was the second greatest showing on record, having been exceeded only in 1920, and being approximately thirty millions higher than for the corresponding period of 1913.

New Curb Exchange in Montreal Opens Soon

From Our Own Correspondent

MONTREAL.—The new Montreal curb market has obtained suitable quarters in the C. P. R. Telegraph Building, Montreal, and the first session of the new exchange will take place on Monday, Oct. 4.

All the present Montreal exchange brokerage houses will be represented on the new exchange and, in addition, other interests have purchased seats in the organization. It seems to be generally thought that the new market will broaden the trading in many of the present unlisted issues.

Those shares which are at present changing hands on the unlisted department of the Montreal Stock Exchange, will, in the future, be listed and handled entirely on the curb market. Eventually, the curb market itself will develop an unlisted department, in which practically all the shares of any companies in which there is an investment interest in this country will change hands. In the meantime, several mining issues are being listed on the curb market, and, for the future, it is anticipated that many more of these issues will change hands through the new organization.

CORRECTED PRODUCTION FIGURES

Due to a typographical error, the record production figures of the 234-inch Dominion Newsprint Paper Machine, shown in an advertisment in the Annual Pulp and Paper Number of The Financial Post, should read: 127.278 tons in twenty-four hours, 121.346 tons average daily production for 14 days; 116.355 tons average daily production over a period of three months.

ELECTED TO McCOLL BROS.' BOARD

D. I. McLeod, of McLeod, Young, Weir and Company, Limited, has been elected a director of McColl Bros., Ltd.

The Royal Bank of Canada

Head Office, Montreal

Condensed Statement to the Dominion Government

August 31, 1926

LIABILITIES

Capital Paid up	$ 24,400,000.00
Reserve Fund	24,400,000.00
Undivided Profits	1,249,435.32
Dividend No. 156, payable September 1, 1926	732,000.00
Notes in Circulation	36,254,044.94
Deposits	592,895,366.91
Due to other Banks	19,891,270.88
Bills Payable (Acceptances by London Branch)	7,694,312.98
Letters of Credit outstanding	30,926,150.18
	$738,442,581.21

ASSETS

Cash on Hand and in Banks	$112,480,678.37
Deposit in the Central Gold Reserves	16,000,000.00
Government and Municipal Securities	100,759,483.40
Railway and other Bonds, Debentures and Stocks ...	19,452,524.60
Call Loans in Canada	31,599,594.08
Call Loans elsewhere than in Canada	48,811,464.72
	$329,103,745.17
Loans and Discounts	359,206,678.19
Liabilities of Customers under Letters of Credit as per contra	30,926,150.18
Bank Premises	14,380,773.63
Real Estate other than Bank Premises	2,240,424.21
Mortgages on Real Estate sold by the Bank	1,339,809.83
Deposit with Dominion Government for Security of Note Circulation	1,245,000.00
	$738,442,581.21

876 BRANCHES IN CANADA, NEWFOUNDLAND, WEST INDIES, CENTRAL and SOUTH AMERICA, also LONDON, NEW YORK and BARCELONA.

Auxiliary: THE ROYAL BANK OF CANADA (France)

FINANCIAL RAJAH OF EUROPE BUYING BRAZILIAN STOCK

(Continued from page 1)

tention to Loewenstein's sensational proposals to take over the financial troubles of Belgium and France. His schemes are described as the most colossal and fantastic that have ever been proposed by a responsible banker. Of Loewenstein we read:

Alfred Loewenstein is a well-known banker in Belgium; he has a large private fortune, left to him by his father.

He has acquired a large interest in Brazilian Traction, Barcelona Hydro-Electric, and several Mexican companies.

The present net profits of these companies, he says, amount to $35,000,000.

He proposes to combine these companies into a large trust, and to add to their number.

In order to secure fresh capital he has offered a loan of $50,000,000 to Belgium and $100,000,000 to France. The Belgium loan is to be without interest, and the French loan is to bear 2 per cent. interest.

In return for these loans, Belgium and France are to allow him to print francs to the amount of the loans, and all the new money thus created to be used to finance new industrial companies.

To English bankers it looks like a scheme to inflate the currency for the personal benefit of Mr. Loewenstein and his backers.

Here is a banker who seriously suggests that he shall be given full powers as the chancellor of the exchequer for both Belgium and France, and that he shall be allowed to use the national credit to promote his personal enterprises. No such effrontery has been heard in Europe for many a day.

As though he were already the chancellor of Belgium and France, Loewenstein is now traveling around Europe with the retinue of a rajah.

He and his staff of 80 clerks and secretaries moved during the week from Brussels to Biarritz, and from Biarritz to Barcelona.

They traveled by means of four aeroplanes and a score of automobiles. They rented seven villas at Biarritz and a whole hotel at Barcelona.

There are six English members of parliament in the Loewenstein party and several Americans.

No one knows where they will go next. One rumor is that Loewenstein has chartered an ocean liner and will go to New York in October to interest American capitalists in his new hydro-electric combine.

D. J. McDougald J. B. McArthur

Government, Municipal and Corporation

BONDS

D. J. McDougald & Co.

Trusts and Guarantee Bldg.,
302 BAY STREET. ELGIN 2278
The Partners Personally Advise as to Investments.

$393,684.76

City of St. Catharines, Ontario

5% Coupon Debentures

SEALED TENDERS, endorsed "Tenders for City of St. Catharines Debentures," will be received by the undersigned until 5 P.M., Monday, 4th October, 1926, for the purchase of the following Debentures:

By-law 3625—5%, 1-30 Years, Instalment Debentures Water Works Filtration Plant.

Date of Maturity	Amount	Date of Maturity	Amount
February 1, 1927	$4,300	February 1, 1942......	$ 8,800
February 1, 1928	4,500	February 1, 1943......	9,300
February 1, 1929	4,700	February 1, 1944......	9,700
February 1, 1930	4,900	February 1, 1945......	10,200
February 1, 1931	5,200	February 1, 1946......	10,700
February 1, 1932	5,400	February 1, 1947......	11,300
February 1, 1933	5,700	February 1, 1948......	11,800
February 1, 1934	6,000	February 1, 1949......	12,400
February 1, 1935	6,300	February 1, 1950......	13,000
February 1, 1936	6,600	February 1, 1951......	13,700
February 1, 1937	6,900	February 1, 1952......	14,400
February 1, 1938	7,300	February 1, 1953......	15,100
February 1, 1939	7,600	February 1, 1954......	15,800
February 1, 1940	8,000	February 1, 1955......	16,600
February 1, 1941	8,400	February 1, 1956......	15,400
			$280,000

By-law 3680—5%, 15-year Sinking Fund Debentures, Local Improvements.

Date of Maturity	Amount
1st October, 1941	$ 11,571.97

By-law 3681—5%, 10-year Sinking Fund Debentures, Local Improvements.

Date of Maturity	Amount
1st October, 1936	$102,112.79

Total amount offered $393,684.76

1. The Debentures will be dated as follows:
   By-law No. 3625—1st February, 1926.
   By-law No. 3680—1st October, 1926.
   By-law No. 3681—1st October, 1926.
2. Coupons will be attached for the payment of interest at the rates indicated above, payable half-yearly.
3. Debentures will be payable both as to principal and interest at the Imperial Bank of Canada, Toronto.
4. Denominations of each Debenture will be $1,000.00 and odd amounts.
5. The right is reserved to reject any or all proposals.

STUART K. WATT,
City Treasurer.

City Treasurer's Office,
St. Catharines, Ontario,
27th September, 1926.

Cooperate In Combatting Quebec's Fire Loss

BUSINESS men and community leaders of the Province of Quebec, your government urges your full cooperation in the lowering of the appalling and needless yearly fire loss in this great province.

In 1925 the fire fiend brought an economic wastage of over $9,555,000 to this province.

This exacted a toll on every Quebec citizen who carries fire insurance because your neighbor's fire costs YOU money — due to your fire insurance premium being based on the average yearly loss.

Nor must the loss of life, the throwing of people out of work, the stoppage of buying-power, etc., which is entailed be overlooked.

Your Cooperation Valuable

You as an individual can assist in combatting fire loss in many ways.

You can make sure your own home has adequate means for instant fire protection. Similarly in your office or throughout your plant you can have, or can enforce, up-to-date fire preventive measures. Again, you can exert your influence to see that your community has ample means with which to prevent fires.

In doing this, you not only protect yourself but safeguard your province and the interests of Canada as a whole.

What the Quebec Government Does

The Quebec government's chief fire prevention work centers around the control of forest fires.

Through the Forest Protection Service of the Department of Lands and Forests, in 1925, over 3,500 fire rangers patrolled Quebec's forest areas — appreciably reducing forest ravages by fire over preceding years.

Extension and improvement of forest fire prevention and fighting plans — the erection of more observation towers, increased use of radio-telephones, the use of aeroplanes for fire patrolling — are being put into effect.

Half the Population of Quebec Province Draws More Than Half Its Income From Quebec's Forests

It is instantly seen how imperative it is for all Quebec citizens to always do their bit to save our forest wealth. When in the woods, by your personal carefulness, take every precaution to prevent fire. Preach the gospel of forest fire prevention. Only through the cooperation of all can our forest wealth and, indirectly, a part of your wealth, be saved.

Hon. Honore Mercier, Minister of Lands and Forests, Que., P.Q.

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.

Quebec Pulp and Paper Mills
Limited

Executive Office: CHICOUTIMI, P.Q.
Cable Address: "SAGUENAY, CHICOUTIMI"

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

PORT ALFRED PULP & PAPER CORPORATION

Newsprint and Sulphite Pulp

HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

St. Maurice Valley Corporation

Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited Three Rivers, P.Q.
Yearly Output—195,000 Tons Newsprint

Head Office:
MONTREAL-QUEBEC

ROLLAND

Forty-four years of manufacturing experience enables us to produce papers which meet with the approval of the most exacting business man. A few of the many well-known papers manufactured include—
SUPERFINE LINEN RECORD — COLONIAL BOND — SERVICE BOND — EARNSCLIFFE LINEN BOND — EMPIRE LINEN BOND
MOUNT ROYAL BOND

THE ROLLAND PAPER CO., LIMITED
High Grade Paper Makers Since 1882
MONTREAL
Mills at St. Jerome and Mont Rolland, P.Q.

Pulp and Paper

OVER-PRODUCTION TO BE OVERCOME BY CONSUMPTION

Mead Expresses Confidence in Future of Paper Industry

From Our Own Correspondent.

In view of the general rise of the Canadian paper stocks in recent months, more than usual interest attaches to the observations on the state of the industry made in Toronto following the annual meeting of the Spanish River Pulp & Paper Mills, Ltd., by the president, George H. Mead. He said that while there had been a tendency to slight over-production at the commencement of the current year, this situation had been largely corrected in the later months. In view of the new productive capacity being installed at the present time, he anticipated a further slight excess production. He estimated a 10 per cent. increase in newsprint output for the American continent in 1927, but expressed the opinion that increasing consumption needs would afford some compensation.

The contract price for newsprint had not yet been fixed, and no announcement on this point would be made for another thirty days at least. In view of the situation obtaining, however, he did not anticipate any upward adjustment of prices for 1927 from the present level of $65 per ton.

The following summary shows the advance in price of the common paper stocks from the low of last year:

	1925 High	1925 Low	1926 High	1926 Low
Abitibi	76¼	61½	98	70¼
Brompton	33¼	19½	38½	26
Laurentide	91	73	111	81½
Price Bros.	59	35⅞	76¾	57
Prov. Paper	111¾	88¾	114⅝	100
Smith, H.	47	21¼	58¾	38
Span. River	111⅞	92½	111¾	96½
Wayagmack	75	34½	100	56

Spanish River Affairs

The meeting carried a by-law which rescinded a former by-law of the company in existence since the reorganization, which provided for the appointment of an executive committee of six. It was pointed out that the need for a committee of this character no longer existed, as the appointments were made from the board of directors, which at present numbered seven, although having been reduced from eleven, the authorized board at the time the original by-law was introduced.

The efforts of the management of the Spanish company are being constantly directed to increasing production through the installation of the most modern equipment. In the matter of timber supplies the company's position is regarded as a comfortable one by the officials, precautions as to fire prevention and steps in the direction of reforestation promising what is regarded as practically a perpetual supply of raw material. Industrial relations within the company are described as excellent, cordial relations being maintained at all times between the management and the workmen.

BROMPTON 8's TO BE REDEEMED SHORTLY

But Issue Has Convertible Feature — Stock Must Sell at $55 to be Attractive

From Our Own Correspondent.

MONTREAL.—The 8 per cent. convertible bonds of the Brompton Pulp & Paper Co. of which there are some $1,500,000 outstanding are being called on May 1, 1927. The issue is to be redeemed at 110 plus accrued interest; thus the holder of a $1,000 bond will receive at that date $1,140.

The trust deed covering this issue of bonds provides that the holder may exchange each $1,000 par bond for 20 shares of common stock and thus, if the common shares of Brompton should touch $55 by May 1 next, there would be many bondholders who would take advantage of the convertible feature of the bonds.

Of course, the possibility of such an exchange depends upon whether or not Brompton common stock appreciates on the market. If it should appreciate sufficiently to make the exchange worth while, the bondholders would obtain their accrued interest on the bonds up to the date of exchange; thus, the price of $55 a share for Brompton is the minimum price at which the exchange of bonds for stock would prove attractive.

Bonds Could Be Exchanged

Should the market price of Brompton stock next spring warrant the exchange it could be accomplished, for Brompton has outstanding 140,000 shares of common stock of an authorized number of 210,000 shares; according to the last balance sheet the amount of 8 per cent. bonds outstanding would require only 31,094 shares of common to retire the full amount of the bonds.

If the earnings of Brompton, or if the company's dividend policy be revealed, and either one or the other justify a market appreciation of the common stock to an extent sufficient to make the exchange attractive, the company would benefit as it would have the advantage of obtaining an increased working capital; one of the objects of the recent new bond issue was to provide funds for the retirement of the 8 per cent. bonds due in 1941.

The old issue was not called at the nearest interest date, namely, Nov. 1, 1926, because the trust deed covering the 1941 bonds called for three months' notice of redemption which would have compelled notice to have been given before August 1 last, at which date the details and final arrangements of the new bond issue had not been completed.

Newsprint Production is Well Maintained

MONTREAL.—The production of newsprint from Canadian and United States mills declined slightly from 303,553 tons in July to 301,804 tons in August. The total tonnage of both Canadian and United States mills declined fractionally from the output of the preceding month. During the past seven years the maximum production of U. S. mills during the first eight months of the year totaled 1,018,295 tons, which, during the first eight months of 1926, increased to 1,123,858 tons, which means that the U. S. production this year has shown an increase of around 12 per cent. over the maximum production of other years.

Some idea of the increasing demand for newsprint may be obtained from the fact that the newspapers of New York City carried about 10 per cent. more advertising in the first eight months of 1926 than in the first eight months of 1925, and 13 per cent. more than in the same period of 1924.

BELGO PREFERRED SELLING AT PAR HAS ATTRACTIONS

Stock Has Not Yet Moved Upward With Other Paper Producers

From Our Own Correspondent

MONTREAL. — One of the newsprint stocks which appears to have been neglected and has not participated in the general market appreciation of this group of securities is the preferred of Belgo-Canadian Paper Company, which, at present prices, yield the investor 7 per cent.—a high yield as compared with similar securities, having a record of earning such as the Belgo-Canadian Paper Company. The stock is at present selling at around par, and it pays 7 per cent. annually.

In the first place, the shares are an underlying obligation of the St. Maurice Valley Corporation, which owns over 85 per cent. of the $8,500,000 common shares outstanding. Senior to the $5,000,000 of 7 per cent. cumulative preferred stock outstanding, there are bonds to the extent of $8,857,000. The latter mortgage indebtedness compares favorably with other companies having a comparable daily production of newsprint.

The fixed assets of the company, after making allowance for the bonded debt, give a book value to the stock of well over $200. For the six years previous to the acquisition of the company by the St. Maurice Valley Corporation, earnings applicable to preferred dividend requirements, depreciation and income tax, were equal to well over four times the annual dividend requirements of the preferred stock outstanding at present. This gives an idea of the earning power of the company over a term of years. During the year 1925, it is understood that earnings applicable to the preferred stock, depreciation and income taxes, were equal to over six and a quarter times the annual dividend requirements. The stock is preferred, both as to capital and to interest. The issue is callable also at $110.

The company began operations some twenty-two years ago, and until recent years, was controlled by Belgian interests. Since its inception, its record has been one of steady and conservative expansion, both in physical assets and in earning power. It owns a valuable perpetually renewable contract with the Shawinigan Water and Power Company for the supply of 16,000 hydraulic horsepower from the river at Shawinigan Falls, P.Q.

Capacity Has Increased

The rated capacity of Belgo's mills was 385 tons daily, but efficiencies and betterments to the equipment have been introduced and, over the past year, the mill has been turning out 400 tons of newsprint daily.

The company owns or leases limits estimated to contain a supply of wood sufficient for sixty years' operation of the mill at a daily capacity of 400 tons. In addition, the parent company recently acquired a one-third interest in the island of Anticosti, which further increases the limits available for Belgo's use.

At the moment, two new newsprint machines, with a capacity of 110 tons daily, are being added to the plant, but the ownership of this addition to the mill is vested in the St. Maurice Valley Corporation. Nevertheless, such an addition to the mill cannot fail but to increase the value of the property owned by the Belgo-Canadian Paper Company, and this further strengthens the position of the preferred shareholders.

Brompton is Attractive to Speculative Element

MONTREAL.—Activity in Brompton Pulp & Paper is attributed to pool operations. The old rumor that the stock would be put on a dividend basis was again revived. On any further advance a considerable amount of stock may be sold by tired holders who have been tied up in Brompton for a long period.

The pool is believed to be operating on the basis that this low-priced member of the paper group should benefit in the general advance of the paper stocks because of its attractiveness for the great mass of speculators who favor stocks of low rather than high value.

Canada Paper Expands

MONTREAL.—The Canada Paper Co. has completed the rebulding of its soda mill, which is now equipped to produce pulp by the Keebra process. It is the first mill in Canada to adopt this process, which is an improved soda process in which the wood is cooked with a mixture of caustic soda and sodium sulphite. Oliver filters have been installed for washing the stock from the digesters and a new bleacher has also been installed.

Abitibi Power & Paper Company
Limited
NEWSPRINT
Head Office: Montreal Mills: Iroquois Falls, Ont.

Atlantic Sugar Refineries
LIMITED
Lantic Sugar
General Offices
211 McGILL STREET
MONTREAL
Refineries - St. John, N.B.

DOMINION TEXTILE CO., LIMITED
PRUE
MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS
AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
MONTREAL TORONTO WINNIPEG VANCOUVER

Wabasso Cottons
are Canada's best

Made-in-Canada Cotton Fabrics, the equal of the best produced anywhere in the world.

Lawns, Nainsooks, Cambrics, Longcloths, Broadcloths, Shirtings, Pillow Cottons, etc.; fine coloured cottons, Corset Fabrics, Yarns, etc.; Wacosilke, a new fabric made from finest Wabasso combed yarns and Celanese Brand yarns combined.

THE WABASSO COTTON COMPANY, LIMITED
Three Rivers, Que.

DOMINION BRIDGE CO.
LIMITED
Montreal, P. Q.
ENGINEERS, MANUFACTURERS *and* ERECTORS *of* STEEL STRUCTURES
HEAD OFFICE AND WORKS: Lachine Locks, P.Q. P.O. Address, Montreal, P.Q.
BRANCH OFFICE AND WORKS: Toronto, Ottawa and Winnipeg.
Sales Offices: Montreal, Ottawa, Toronto, Winnipeg, Regina, Edmonton, Vancouver.

Penmans
LIMITED
Manufacturers of High-Grade
Knit Underwear, Hosiery, Sweaters
MILLS AT PARIS, Ont. BRANTFORD, Ont. LONDON, Ont. WATERFORD, Ont. ALMONTE, Ont. COATICOOK, Que. and ST. HYACINTHE, Que.
PEN-ANGLE KNIT-GOODS
General Office: Paris, Ont.
Selling Agents to Wholesale Trade:
JOHN GORDON & SON,
Toronto and Montreal
SELLING AGENTS TO RETAIL TRADE
Edward Burns Co., Ltd., Toronto, Ont.
B. S. MacFarlane, Montreal, Que.
John J. Wilson, St. John, N.B.
Bryce & Co., Ltd., Winnipeg & Vancouver.
EXPORT REPRESENTATIVES
J. J. Jardine, St. John's, Nfld.
H. W. Airey, Ltd., Auckland, N.Z.
L. C. Carrick, Cape Town, South Africa.
Hugh Scott-Young, Melbourne, Australia.
Liddell & Mitchell, Glasgow, Scotland.
Taylor & Shelmerdine, Manchester, England.
W. J. Cutcliffe, London, Eng.
W. E. Goodman, Manchester, England.

PROFITS OF K. & S. TIRE CO. BETTER

The interim report of K. & S. Tire & Rubber Goods, Ltd., which has just been issued, shows a very good increase in profits for the five months ending May 31, 1926. For this period, gross profits were $157,407 and net profits $85,056, which exceeds those reported by the company for any of the three twelve-month periods preceding. Out of this amount $53,484 has been transferred to surplus account. Working capital has been increased from $183,000 in May, 1925, to $240,000.

FORT WILLIAM PAPER'S DIRECTORS

At the annual meeting of the shareholders of Fort William Paper Co., Ltd., the same directors were re-elected, as follows: Geo. H. Mead, W. N. Hurlbut, P. B. Wilson, C. H. L. Jones, Geo. R. Gray, T. H. Watson, Sir Herbert S. Holt, J. S. Norris, W. N. Paterson. At a subsequent meeting of the board the following officers were elected: Chairman, Geo. H. Mead; president, W. N. Hurlbut; vice-presidents, P. B. Wilson, C. H. L. Jones and Geo. R. Gray; secretary, J. G. Gibson; treasurer, W. Struthers.

Food Products

LAKE OF WOODS EARNINGS BETTER BUT STILL LOW

Position and Outlook of the Industry Showing Improvement

From Our Own Correspondent

MONTREAL. — The annual report of the Lake of the Woods Milling Co. which will make its appearance at the annual meeting of the company to be held on October 6 next will cover the consolidated operations and thus the earnings from the Dominion Flour Mills Co., which was acquired about one year ago, will not be segregated from the earnings derived from the company's other mills.

While the earnings for the last fiscal year which ended August 31, 1926, will be better than those experienced in the previous year, yet due to the conditions which have prevailed in the milling industry generally, not only in Canada but throughout the world during the last twelve months, the results for 1926 will not be up to the pristine records which this company has annually presented to its shareholders.

In the 1925 year, the earnings took a tremendous drop, due in part to the lowering of the levels of the Lake of the Woods which reduced the amount of power available at the company's larger mills; this coupled with less prosperous conditions in the industry prevented the company earning its preferred and common dividends in that year. Of course, Lake of the Woods by good management has been enabled to build itself up into a strong position which allowed the company to maintain its dividends in 1925 and this year; while business for this and every other milling company has been poor, at last there appears to be some break in the clouds.

Price Cutting Ceases

Both in domestic and foreign markets the Canadian millers have ceased the disastrous price cutting which has harassed the industry over the last two years. Canadian flour is, of course, preferred to other grades abroad and thus if the Canadian millers have finally stopped selling at a price which yielded little or no profit, a great step forward has been achieved.

Naturally, however, there have been other factors which have affected the industry in general and the Lake of the Woods in particular; these include a world surplus of flour and the cutting off of some of the Canadian foreign markets by tariff restrictions in some of the smaller countries which have developed a national consciousness only since the Great War. This tendency has and, of course, still affects the Canadian millers.

While some milling companies have relied on their connection or association with bakery chains to stabilize the demand for their output in the domestic market and other millers have relied simply on the general market to absorb their output, Lake of the Woods has placed its faith in the quality of the output of its mills. Thus, while it has no association with any bakeries, it is able to sell in the domestic market and also abroad. Incidentally, the company's best known brand is Five Roses flour, and the investor has but to question any housewife to ascertain the recognized quality of this product. Most investors feel that there is little difference between the various brands of flour and there is really little to pick and choose between the output of any of the mills.

Canadian Flour Best

In a measure, of course, this is true for wheat flour made from number one Manitoba northern surpasses flour made from any other grade of wheat elsewhere in the world. Nevertheless, the Lake of the Woods Milling flour appears to hold most of the honors as far as Canadian flour is concerned, and in this it has an asset which is of great value, for it can thus compete with any other mill in the world.

Sells Largely In Canada

The Lake of the Woods Milling is in a somewhat different position from some of the other companies for some 65 per cent. of its business is done in the domestic market; there are other companies which depend on the Canadian market for but a small proportion of their output. The Dominion Flour Mills, which Lake of the Woods now owns, used to sell practically entirely in foreign markets.

As far as earnings now and in the future are concerned, those holding Lake of the Woods shares should do so with the distinct understanding that the Canadian milling business as a whole is not what it once was in earning power and, while business of late has shown a very definite improvement, yet in the matter of profits it is not yet up to the levels of years gone by. Therefore, the investor must be satisfied with the thought that of all the domestic industries there is none, with the single exception of the forest industries, which are more indigenous to this country.

Improvement Is Expected

In brief then, milling conditions at present may hardly be said to be satisfactory—if they were, the milling stocks would not be selling on such a high yield basis—but strong companies, such as the Lake of the Woods, are well equipped with good sea anchors of financial strength to ride out the rough seas of competition and so emerge in a good position in which to take advantage of improved conditions as, if and when they occur. That better times for the industry will return seems a very reasonable surmise, based as it is on the hypothesis that Canada is a country in which it is reasonable to presume that there should be a substantial milling industry. However, the investor must not lose sight of the fact that it is quite impossible to predict in any way just what results the millers will achieve in the coming twelve months. The outcome depends upon too many variable factors such as world conditions, the world's supply of wheat, the exportable surplus of flour in the United States and the general position of the world supply and demand. In the meantime, those associated with the milling industry are much more optimistic about the future than they were even one or two months ago.

SHOWING NATIONAL GROCERS IS BETTER THAN IS INDICATED

Organization Adjustments Cut Into Profits of First Report

On the basis of cold figures alone, the results of the operation of National Grocers, Ltd., the consolidation of thirty-four Ontario wholesale grocers formed last fall, for ten and a half months ending June 30, are not very gratifying, but there are certain important adjustments necessary to early operation to be taken into consideration which have now been completed, with the result that the current showing is much more satisfactory.

The profit and loss account shows profits before depreciation and before interest on 6½ per cent. gold notes at $192,917. The sum of $113,750 is appropriated as interest on the notes, leaving net profits before depreciation of $79,167, out of which the sum of $68,931 is applied in dividends on the first preference shares, leaving a balance of $10,236.

The important explanation is made by the directors, however, that the results shown are after the removal of a sum larger than $150,000 from earnings for the purpose of adjusting values on the inventories taken over from the various companies. Also it is understood that the benefits of the more efficient organization made possible through the merger did not accrue until the latter part of the period covered by the report. Thus profits at the present time are much more satisfactory It is understood that for July alone the net was above $45,000.

The company reports a strong working position, with current assets of $5,691,629, standing against current liabilities of $2,339,261. Accounts receivable are carried at $449,523, and inventories of stocks on hand at $3,171,249. Bank loans amount to $1,628,763, and accounts and bills payable, $651,061.

Satisfactory Value of Sales

Regarding the company's position and outlook, President Archie Foster says:

"The volume of sales during this fiscal period has been very gratifying, especially when we consider the serious disruption in business caused by the zoning of territories for our different branches, the closing of a number of branches, and a most complete reorganization of the sales force. Very satisfactory progress has been made toward co-ordinating the operations of the different businesses taken over by your company, and both sales and administrative organizations are being developed along definite lines, making for largely increased service to the trade, economy, and effective operation.

"This reorganization work has required incurring of extraordinary expense during the past fiscal period, and in addition there were substantial losses in inventories taken over at the time of the consolidation. However, most of the difficulties have now been dealt with, and the entire organization is running much more smoothly, with the result that during the first two months of the fiscal year, namely, July and August, earnings, after setting up fully adequate depreciation and other reserves, are very satisfactory and should continue to be satisfactory during the year."

Loblaw Rise Has Not Been Sustained in the Market

The active trading in Loblaw Groceterias common stock, which has been a recent feature of the Toronto market, came to an end this week when the stock made a rapid decline to former levels. Although the company is reported to have considerably increased its earnings during the current year, there has been no evidence to support a continued sale at the high level of 55, made during the week. Gossip on the street connected Loblaw with the option on Pure Food, of Montreal, which expires this week, and, no doubt, this rumor has been partly responsible for the recent activity. However, this report was denied by President T. P. Loblaw, and the street has been left to find another answer to the interest in Pure Food. A sudden flurry such as the Loblaw stock has just made seems rather unfortunate, especially as the company is making good progress, with estimated earnings for the year standing at 25 per cent. above those of 1925. The fact that the second preferred stock was recently retired has also strengthened the company's position.

Atlantic Sugar Continues to Operate at Capacity

ST. JOHN.—Operating at full capacity for the past two years without a break, the Atlantic Sugar Refinery has been one of the outstanding relief stations for the unemployed. Thousands of tons of raw sugar have been refined, and almost an equal amount of refined sugar has been exported, and, as a result, a large number of longshoremen, who would otherwise have probably been out of work, have had employment.

It is customary to close the plant for at least a week to enable the machinery to undergo repairs. Last year, owing to the constant arrival of raw sugar, the plant was not closed, and the manager states that it is hard to tell at the present time whether the plant will be closed this year or not. Should sugar continue to come in as fast as it had throughout the past several months, the refinery will not be shut down.

Public Utilities

AGITATORS WOULD UPSET THE POWER DEAL AT WINNIPEG

Chimney Sweep is Spokesman for Radicals Before Court

Special Correspondence.

WINNIPEG. — Winnipeg's City Council, at its regular meeting September 20, instructed the City Solicitor to oppose the application being made to quash the power purchase by-law. This by-law authorizes the purchase by the City of Winnipeg from the Manitoba Power Co., Ltd., of hydro-electric power involving an expenditure of $4,375,000.

The action to quash the by-law is taken by a chimney-sweep named E. I. Johnson, and the only support Mr. Johnson has is that which is offered him by certain radicals who have opposed the agreement from its inception. The radical element among the Labor group in the City Council adopted obstructionist methods in an unsuccessful effort to block the deal during its passage through council, and they have now got Mr. Johnson to take this action in the courts, it being intimated that O.B.U. funds will be available for any costs Mr. Johnson is put to.

The Winnipeg Free Press editorially condemns the opposition to the power agreement, implying that Labor has been unduly influenced by its natural inclination to public ownership and dislike of private ownership.

The paper points out that the business men of the city and the Hydro management are strong in their support of the agreement, and in its view the agreement is a reasonable business proposition and in the interests of the city.

At the hearing of the application to quash the by-law the Winnipeg Electric Co. and the Manitoba Co. will be joint defendants with the City of Winnipeg.

Public Utility Earnings

Cape Breton Electric

July—	1926	1925	Incr.
Gross Earn.	$46,679	$36,871	$ 9,807
Oper. Exp. and Taxes	38,119	36,295	1,823
Net Earn.	$ 8,560	$ 576	$ 7,983
Int. charges	5,729	5,769	39x
Bal. for res., retire., and divs.	$ 2,830	$ 5,193	z$8,023

xDecrease. zDeficit.

Dominion Power and Transmission

August—	1926	1925	Incr.
Gross Earn. ...	$258,828	$254,462	$ 4,366
Gross Exp.	177,228	174,985	2,243
Net Earn.	$ 81,600	$ 79,477	$ 2,123
Eight Months—	1926	1925	Incr.
Gross Earn.	$2,091,398	$1,996,212	$ 95,186
Gross Exp.	1,362,662	1,380,633	x17,970
Net Earn.	$ 728,736	$ 614,579	$ 113,156

xDecrease.

SOUTHERN CANADA POWER

August—	1926	1925	Incr.
Gross Earn. ...	$113,090	$ 99,663	$ 13,427
Oper. Exp.	40,208	37,223	2,985
Net Earn.	$ 72,881	$ 62,440	$ 10,441
11 Months', ended August 31st—			
Gross Earn. ..	$1,246,608	$1,062,339	$184,268
Oper. Exp.	428,643	455,924	x27,281
Net Earn.	$817,964	$606,414	$211,550

xDecrease.

Jamaica Public Service

July—	1926	1925	Incr.
Gross Earn.	$53,607	$51,787	$ 1,820
Oper. Exp.	32,306	32,424	x 118
Net Earn.	$21,301	$19,362	$ 1,938
Interest	6,251	6,537	x285
Bal. for res., retire., and div.	$15,049	$12,825	$ 2,223
12 Months Ending July 31—	1926	1925	Incr.
Gross Earn.	$642,389	$600,017	$42,372
Oper. Exp.	397,185	393,357	3,828
Net Earn.	$245,204	$206,659	$38,544
Interest	75,415	80,725	x5,310
Bal. for res., retire., and div.	$169,788	$125,934	$43,854

xDecrease.

BRAZILIAN TRACTION

August—	1926	1925	Incr.
Gross Earn.	$3,476,995	2,805,346	$ 671,649
Oper. Exp.	1,514,641	1,219,516	295,125
Net Earn.	1,962,354	1,585,830	376,524
Aggr. Gross from Jan. 1st	26,034,604	19,273,760	6,760,844
Aggr. Net from Jan. 1	14,891,080	11,020,919	3,870,161

Gross and net earnings for the month and for the preceding twelve months, with comparisons, are as follows:

1926	Gross	Net	Net Inc.
May	$2,282,198	$1,322,214	x$153,683
June	2,386,113	1,350,445	x144,418
July	2,250,132	1,390,790	385,550
Aug.	2,895,346	1,585,830	234,081
Sept.	2,846,091	1,514,288	69,554
Oct.	3,100,963	1,568,072	117,671
Nov.	2,911,696	1,554,038	132,209
Dec.	3,111,261	1,714,418	310,888
1926			
Jan.	3,163,670	1,792,288	298,795
Feb.	2,893,557	1,678,787	394,445
March	3,077,791	1,763,343	317,416
April	3,021,732	1,715,372	467,949
May	3,381,959	1,950,677	628,463
June	3,487,237	2,037,453	687,008
July	3,531,663	1,990,806	600,016
Aug.	3,476,995	1,962,354	376,524

xDecrease.

Southern Canada Power Earnings Are Higher

From Our Own Correspondent.

MONTREAL. — The earnings of the Southern Canada Power Company for the first eleven months of its fiscal year indicate a total of around $893,000 as the net earnings available for bond interest and depreciation, at the close of the company's fiscal year, which ends this week. As the net earnings for the full year ending September 30, 1925, amounted to $713,567, the shareholders will see that the annual report will, by the substantial betterment in earnings, prove a very satisfactory exhibit when it makes its appearance later in the year.

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Property In The West

The West, and by that we mean British Columbia in particular, is developing rapidly. Property values in Vancouver shows a steady upward trend.

While we do not recommend speculative investment we DO recommend revenue producing purchases which show a return now and increase in value at the same time.

We shall be glad to give details of various properties, both business and residential, which are available through us.

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News of the Mines: *A Department for Executives and Investors*

LARGE B.C. MINE VENTURE HAS 63 CLAIMS IN GROUP

Have High Values in Eight Veins on Property East of Prince Rupert

Full details are to hand regarding organization of Taltapin Mining Co., British Columbia, head office Vancouver. Property is situated in Omineca Mining Division, 200 miles east of Prince Rupert on C.N.R., and consists of 63 claims in one block, and a decidedly favorable report is made on them after an examination in June last by R. C. Campbell-Johnston. He found eight strong surface veins on surface and got $25.50 per ton. From leads between 35 and 112-ft. lower than surface at shaft entrance he got $152.50. The company is putting in a large plant and will start sinking at once. It also proposes to mine 30 tons daily for the first year and at that time jump to 100 tons if the mine justifies it. The statutory information shows that the company paid Arthur Wood 45,000 shares of stock, par $1, for the Silver-Fox claim which he bought from C. S. Anderson for $30,000. This is the claim on which the main showings are found.

The company is talking of going down 3,000-ft. with its shaft. With the acreage it has, this would seem a long way off. but of course, it is not possible to thoroughly size up the situation as a surface geological map, mentioned in the engineer's report and showing known length of veins, was not reproduced in the prospectus. The ore runs well in gold, silver, lead and zinc with copper negligible.

The company seems to have been fortunate in its property purchases, being able to secure transfers of the greater part by issuing fully paid stock. Balance sheet shows properties listed $625,000, work done $54.872. Liabilities, accounts $2,250, deferred; property purchase, $27,100; stock issued for other than cash, $595.000; for cash. $65.187. or $660,187 out of $1,000,000. W. C. Steadman, Vancouver is pres.; W. D. Gillespie, sec.-treas.

MINING STOCK QUOTATIONS
Week Ending September 28

	High for wk.	Low for wk.	Close Sept. 28	Close Sept. 21	Sales for wk.
Amulet	1.35	1.33	1.35	1.34	83400
Algonquin	3¾	3	3½	3¼	42500
Apex	3	3	3	3	4500
Area	25¾	23	23	24½	9100
Argo. Con.	34	27	32½	28	367900
Atlas	3¼	2½	3	3½	8000
Baldwin	5⅞	4½	4½	5⅝	243660
Barry Hol.	65	62½	62½	64	59250
Beaver	88	83	86	88½	78050
Bellellen L.	23	22¼	22½	23	70600
Boston Creek	6½	6	6½	6	4000
Bourlamaque	1.17	1.14	1.16	1.14	27300
Buckingham	3½	3	3	2½	5000
Bidgood	5	5	5	5½	1000
Can. Lorrain	78	62	70	77	51650
Capitol	36	32¾	33	35½	33250
Castle Tre.	1.43	1.27	1.29	1.40	102525
Chaput H.	9	8	8	8	3100
Clifton	2½	2	2	1¾	2000
Coniagas	4.30	4.15	4.25	4.30	1250
Coniarum	3.80	3.70	3.70	3.90	550
Col. Kirk.	4	3½	3½	3½	13000
Con. Smelt.	248½	240	244	247½	3646
C. W. Dome	22	20½	21¼	21¾	87300
Crown Res.	9¼	8½	8½	9	21050
Dome Mines	11.25	11.00	11.00	11.00	3390
Don Rouyn	45	40	40	46	950
Dupuy	33	29¾	32¼	30½	126100
Duprat	19⅞	19	19	19	130000
Everett	5¼	5	5	6	8300
Goldale	33½	32	32	33½	36900
Gold Hill	49	45	45½	45½	67300
Hillcrest, pf.	80	80	80	80	5
Hill Top	22	22	22	20	500
Hollinger	19.30	19.10	19.15	19.10	4892
Int. Nickel, c.	36¾	35⅞	36⅛	36¼	2320
Jay Copper	75⅜	74½	75⅛	76	5300
Keeley	1.66	1.53	1.54	1.62	75500
Keora	19¼	16½	16½	19¼	64750
Kirk. Hunt.	15½	12	15	12¼	24650
Kirk. Lake	1.07	98½	98½	1.07	112200
Lake Shore	13.90	13.60	13.65	13.85	4230
Lakeside	4¼	3	3	4⅛	61000
Laval	25½	23¾	24¼	25½	26300
La Rose	8½	8½	8½	8	1000
Lorrain	4½	4	4	4½	62200
Lorrain T. L.	50	50	50	50	1000
Macassa	38	36½	37	37	13125
McKinley	12½	10½	10¾	12½	26500
McIntyre	24.90	24.50	24.60	24.85	2990
Millcrest	7	6	6	6¾	17500
Mining Corp.	3.60	3.29	3.32	3.50	20020
Mont. Rouyn	32	31	31	32	24600
Moneta	14½	14½	14½	15	2000
Noranda	18.40	17.90	18.24	18.25	29602
Newray	40	35	40	40	347
Night Hawk	7¼	7	7	7	2000
Nipissing	6.40	5.70	5.75	6.20	6570
Ophir	1¾	1½	1½	2	1200
Pete Lake	9¼	8⅝	8¾	8½	88700
P. L. Cobalt	27½	26¼	27½	26	212616
Porc. Crown	5	4½	5	6	199
Porc. Keora	9	9	9	9½	500
Pioneer	91	90	90	92	6000
Premier	2.15	2.05	2.05	2.12	4100
Preston	9¼	7¼	7½	7	118100
Rouyn	2¾	2½	2½	3	13600
Rouyn, Que.	2	2	2	2	1000
South Keora	14	10	12½	10	35775
Stadacona	43	42	42½	42	53700
Teck Hughes	4.53	4.45	4.47	4.54	56496
Timiskaming	11	10	10	10½	7500
Tough Oakes	44½	42½	43	44	62350
Towagamac	3.30	3.20	3.27	3.25	3235
Vic. Silver	4⅛	3¼	3½	3⅞	60250
Vickers	83	82	83	82	5600
Vipond	1.72	1.70	1.70	1.71	37790
Wasapika	1⅛	1⅛	1⅛	1¾	1000
West Tree	3	2½	2½	2½	5500
Wettlaufer	6	5	5½	6	8500
Wigwam	5	4	5	5	1500
Wright Har.	8.75	8.60	8.70	8.70	5710

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Oil Development May be Biggest Thing in Alberta

CALGARY. — Attorney-General Lymburn says oil development promised to be a big thing, if not the biggest thing in Alberta. It was thought well to visit the older oil fields to learn how states had met and solved these problems. In this way it was thought that mistakes that have been made in newer oil fields during the early days of their development might be avoided in Alberta and advantage taken of the lessons which had been dearly bought by experience on these other fields.

CENTRAL MANITOBA LOOKS ATTRACTIVE

MacKenzie Williams Much Taken With Leading Mines of Area

Mackenzie Williams, of A. E. Ames Co., Toronto, has just concluded a month's holiday in Central Manitoba mining area. He told the Winnipeg papers:

"You have a real field with a most promising outlook," he said, "but the people of Winnipeg do not seem to appreciate what that means to them. I have met too many people here who only vaguely know that you have a fine mining field within 100 miles of the city. People in Toronto have learned that lesson, and now are alive to all mining news, with the result that they are better posted on Manitoba's development than Manitobans themselves. While in the area I saw packages of goods shipped not from Winnipeg, but from Toronto. That is money lost to Winnipeg that rightly belongs to it. This is due in part perhaps to the Dominion ownership of Manitoba's natural resources, but that fact should not stand in the way."

Mr. Williams spoke in high terms of the Kitchener, Cryderman and Eldorado properties, which he had gone over most thoroughly. The new ore bodies lately uncovered on the east end of the Kitchener, he said, were proving up well, the point about them being the size and width of the veins, indicating a large increase in the tonnage blocked out.

Vickers Quebec Holdings Are Looking Attractive

Vickers Porcupine has launched aggressive exploration of its two groups of claims in N. W. Quebec. One of these adjoins Grover-Daley and is conceded to have extensions of the vein of that property. Chas. Spearman, who is consulting engineer, says three veins have been encountered on this group. The geology disclosed on these properties is identical in characteristics with that of those properties on which successful results have been achieved from advanced development, consisting of keewatin-gabbro diabase. It is in the vicinity of these contacts that the copper deposits of the camp have been found.

DOME 1926 FIGURES BY MONTHS

	Tons	Per ton	Recovery
Jan.	44,404	$7.84	$348.324
Feb.	43,700	7.54	329,689
March	46,999	7.34	344,933
April	45,000	6.93	311,551
May	46,300	7.09	328,028
June	45,200	7.47	327,644
July	47,100	6.74	324,323
Aug.	48,100	6.74	324,323

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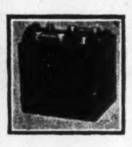

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TO DIVIDE ASSETS OF CANADIAN BINGO

Cash Common and Preferred Stock Will go to Shareholders

WINNIPEG.—Distribution of assets of Bingo Mines, Ltd., consisting largely of stock in Bingo Gold Mines, Ltd., the company formed in England to take over Bingo mining property in Herb Lake district, Northern Manitoba, is now taking place. A holder of 100 shares in Bingo Mines, Ltd., will receive two preferred shares, 1922 issue, of Bingo Gold Mines, Ltd., 21 ordinary shares and $3 in cash. Directors have written shareholders to the effect that the large majority of shareholders do not hold sufficient shares to enable a pro rata division of both issues of preferred, and they adopted a resolution that shareholders holding less than 1,000 shares should receive English shares of 1922 issue exclusively; those having 1,000 shares or over, shall receive part of both issues in an equitable ratio. Basis of exchange of Canadian shares for English shares is approximately £2-1-8 of preferred shares for 100 Canadian shares and £20-11-4 ordinary shares for 100 Canadian shares.

Assets of Canadian company are stated to be:

(1) 212,171 10 per cent. cumulative participating preferred shares, par value £1 each, of Bingo Gold Mines, Ltd., London, England, of which 16,813 shares are 1922 issue and 5,358 shares are 1924 issue.

(2) 218,750 ordinary shares of Bingo Gold Mines Ltd., par value £1 each.

(3) Cash, equivalent to a distribution of three cents per share.

WIGWAM STOPS

Operations have been suspended on Wigwam property, Gowganda. A large crosscut projected, did not reach its objective.

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QUEBEC GROUPS HOLD LIMELIGHT

Heavy Trading in Duprat Precedes Testing and Development Plans

There has been a great deal of activity in Duprat shares of late, due in part of the excellent finds made on the company's claims, but also due to the somewhat spectacular developments taking place on the adjoining Consolidated Smelter groups. The company has this week contracted for the employment of an electric prospecting aparatus on their property before proceeding with diamond drilling.

Application is being made to test the the shares on Standard Stock Exchange.

Another property coming to the front partly because of Smelters success and partly because of Grover-Daly and Asisko is Corona. This company, though little known, has a composite group of 600 acres and has a gang of men at work. Because of the finds made nearby considerable interest is being shown in it. The company is capitalized at $2,000,000 and little stock is out.

Drilling Waite Again

It is understood that diamond drilling is to be resumed on Waite Montgomery in Duprat Twp., N. W. Quebec. Engineers who have come out from Quebec recently, speak quite favorably of the property. Work was stopped for a short time awaiting the arrival of a dip needle. However, it is believed that the company will go ahead now with drilling without first making a dip needle survey. Estimates of ore indicated already run as high as $11,000,000.

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DUNWELL ASKS $70,000 CASH

Dunwell mines, Portland Canal, B. C., is going to ask shareholders to approve of issuing 70,000 additional shares at $1 each. The shareholders can take up 1 for every 10 held. Mill construction has been financed and is going ahead, but the management would like additional funds for development purposes and equipment to make certain of the steady handling of 100 tons a day. The mill being installed is one of the most modern and the most efficient in the West.

START TECK-HUGHES MILL

Teck-Hughes has made a fair start on its new mill, which may be ready to operate before spring.

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The Spanish River Pulp and Paper Mills LIMITED

FIFTEENTH ANNUAL REPORT, 1926

DIRECTORS

Geo. H. Mead, P. B. Wilson, C. E. Read, T. Watson Sime, G. R. Gray, T. H. Watson, C. H. L. Jones

OFFICERS

President .... Geo. H. Mead.
Vice-President .... P. B. Wilson
Vice-President .... G. R. Gray
Vice-President .... C. H. L. Jones
Secretary .... J. G. Gibson
Treasurer .... A. H. Chitty

Transfer Agents:—The Royal Trust Company—Toronto and Montreal.
Registrars:—Montreal Trust Company—Toronto and Montreal.
Secretary's Office:—707 Bank of Hamilton Building, Toronto.

The following Annual Report of the Company was unanimously approved by the Shareholders at the Annual Meeting held September 23rd, 1926:—

TO THE SHAREHOLDERS OF
THE SPANISH RIVER PULP AND PAPER MILLS, LIMITED:

Your Directors have pleasure in submitting the following report of the operations of The Spanish River Pulp and Paper Mills, Limited, including Lake Superior Paper Company, Limited, for the year ending June 30th, 1926.—

SUMMARY OF INCOME ACCOUNT

Gross Profits for the Year	$3,743,448.26
Less: Reserved for Depreciation	602,499.96
	$3,140,948.30
Less: Interest on Funded Debt & Other Loans	695,046.15
	$2,445,902.15
Less: Appropriation for Contingencies and Government Taxes	250,000.00
Net Profits for the Year	$2,195,902.15
Add Surplus as at 30th June, 1925	6,458,324.18
	$8,654,226.33

APPROPRIATIONS:

Dividends at 7% per annum on Preferred Stock	$603,365.00	
Divids. at 7% per annum on Common Stock	661,290.00	
Proportion of Dividend Paid to Bondholders	140,517.24	
Transferred to Reserves	239,744.72	
		$1,644,916.96
Surplus as at 30th June, 1926		$7,009,309.37

The Income Account and Balance Sheet presented herewith reflect a condition of continued progress, which will no doubt prove very gratifying to the Shareholders, considering the lower prices of the Company's products which prevailed during this period.

It will be noted that there has been a substantial reduction in the inventories, with a corresponding increase in the cash position of the Company.

Your Directors deem it advisable to maintain a strong cash position, thus enabling the management to continue its policy of installing from time to time improved equipment to reduce costs and maintain the Company's excellent competitive position without increasing capital obligations.

The Company's Investments include a substantial interest in the Fort William Paper Company, Limited, purchased some years ago. This has proven a profitable investment and valuable connection. Pursuing this policy of enlarging its interests in the development of the paper industry in Canada, the Company has, after careful investigation, acquired considerable holdings in the capital stock of the Manitoba Paper Company, Limited, which will be in production before the end of 1926.

Your Directors desire again to record their appreciation of the efficient services rendered by all employees during the year.

Toronto, Ont., August 17th, 1926.

By Order of the Board,
GEO. H. MEAD, President.

THE SPANISH RIVER PULP AND PAPER MILLS, LIMITED
LAKE SUPERIOR PAPER COMPANY, LIMITED

CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE, 1926.

ASSETS

PROPERTY ACCOUNT		$32,387,262.48
INVESTMENT AT COST		816,875.00
CASH IN HANDS OF TRUSTEES for Sinking Fund 1st Mortgage Bonds		148,754.39
CURRENT ASSETS—		
Pulpwood Woods Equipment, Stores & Finished Products	$6,707,163.05	
Accounts Receivable, Less Doubtful Debts	2,340,416.55	
Companies' Securities Purchased and Held	182,016.68	
Dominion of Canada Bonds	995,515.00	
Cash in Banks and on Hand	1,249,210.49	
		11,474,321.77
DEFERRED CHARGES		457,775.95
		$45,284,989.59

LIABILITIES

CAPITAL STOCK—		Authorized	Issued
Common		$10,000,000.00	$ 9,447,000.00
Pfd. 7% Cumulative Particip.		10,000,000.00	8,619,500.00
		$20,000,000.00	$18,066,500.00
BONDED INDEBTEDNESS—			
1st Mortgage 6% Bonds Authorized and Issued		$9,000,000.00	
Less Redeemed and Cancelled		2,214,893.30	
			$6,785,106.70
6% Serial Mortgage Lien Notes Authorized & Issued		$3,500,000.00	
Less Redeemed and Cancelled		2,617,000.00	
			883,000.00
General Mort. Bonds Authorized $20,000,000.00— Series "A" 8% Bonds Authorized and Issued		$3,000,000.00	
Less: Redeemed and cancelled	$111,000		
Cash in Hands of Trustee to redeem	70,500		
		181,500.00	
			2,818,500.00
			$10,486,606.70
CURRENT LIABILITIES—			
Trade Accounts and Bills Pay., incl. Govt. Taxes		$1,038,973.83	
Accrued Int. on Bonds & Notes		217,846.86	
Dividends Declared (paid 15th July, 1926)		386,422.37	
			1,643,243.06
RESERVES—			
Depreciation		$6,373,341.63	
General		1,705,988.83	
			8,079,330.46
SURPLUS			7,009,309.37
			$45,284,989.59

We have audited the books and accounts of The Spanish River Pulp and Paper Mills, Limited, and of its subsidiary, the Lake Superior Paper Company, Limited, for the year ending 30th June, 1926, and certify that the above Consolidated Balance Sheet is properly drawn up and shows a true and correct view of the state of the combined Companies' affairs, and that the results from the operations for the year are correctly set forth in the annexed report of the Directors, according to the books of the Companies and to the best of our knowledge and the explanations given us.

All our requirements as Auditors have been complied with.

16th August, 1926.

PRICE, WATERHOUSE & COMPANY,
Chartered Accountants.

News of the Mines

LAKE SHORE EARNS 67% BEFORE TAKING OFF DEPRECIATION

Allowance for Plant and Mine Exhaustion This Year Equals 21% on Stock

Lake Shore in 1926 fiscal year earned 46 cents per share or $928,179, or $70,000 greater than the previous year. A material change in depreciation account by diverting $241,217 this year compared with $71,940 a year ago, made the showing of the mine poorer than it really is. If the allowance had been the same, earnings per share would have been 55c. instead of 46 as compared with 43c. Incidentally this kept the company from showing over $1,000,000 profit for a 12 month period. The same figures might apply to the amount written off for development and in making comparisons, it will be found useful to refer to the tabulation below which gives Lake Shore over a period of years.

Total production from the mine more than equalled the capital stock, reaching $2,233,476, while 1925 figures were $1,812,008.

President Harry Oakes makes some interesting comments on costs, indicating that shareholders can look for 60 per cent. of production to be available for dividend and reserves. He points out that costs are around $6, and with $15 ore, $9 is profit. Some of the comment heard on this is that on a larger tonnage, the $15 average may not hold, but from the ore that Lake Shore has been getting the prospect of $15 per ton holding is much better than the prospect that costs will stay up at $6. Certainly from the ore in sight, any decrease in value per ton will on increased tonnage be offset by lower costs.

"Specially satisfactory," is Mr. Oakes' comment on the position of the mine in regard broken ore reserves which he says assure a ready ore supply for years to come.

E. B. Knapp, mine supt., says that 143,542 tons were mined during the year and 125,675 tons sent to mill. This yielded $2,235,184, or $17.79 per ton. The tonnage increase was 30 per cent. with $422,689 bullion increase. He adds:

"During the first six months of the fiscal year 51,012 tons of ore were milled, producing $990,000, and the last six months 74,664 tons of ore were milled, producing $1,250,901.

"Tonnage for the year works out as follows: Tonnage milled, 125,676 tons; average value, $17.79; recovery, $2,235,184.

"During the year, 225,236 tons of ore were broken, of which 104,534 tons came from the stopes and 24,533 tons from development. Broken ore reserves now amount to 181,534 tons, against 85,365 tons last year. The 181,534 tons of ore broken are valued at $4,346,799."

Year's Work Summarized

A general summary of the year's work shows:

1. The completion of a series of ore passes underground whereby all ore above the 800-foot level is dropped directly to the underground crusher or hauled to it in large cars.
2. The installing of electric haulage.
3. Underground crushing.
4. The installing of skips in the shaft for the handling of ore.
5. A further increase in mill tonnage to approximately 16,000 tons monthly.
6. The development and blocking out of ore on the 800 and 1,000-foot levels on both No. 1 and No. 2 veins.

Balance sheet figures follow:

PROFIT AND LOSS

	1926 $	1925 $	1924 $	1923 $
Bullion produced	2,235,184	1,812,495	578,243	833,665
Less exchange	1,708	487	11,877	16,618
	2,233,475	1,812,008	590,120	850,283
Interest Earned—				
Canada bonds	9,817	9,826	12,174	8,925
Other	2,678	1,634	674	6,780
Victory Bonds	......	......	......	......
	12,495	11,460	12,848	15,705
Profit from Bonds	......	......	1,186	......
Total Profit	2,245,971	1,823,468	604,154	865,988
Costs—				
Operating	873,239	697,352	295,862	412,560
Administrative	37,545	17,729	19,374	18,745
Depreciation	241,217	71,940	48,446	63,614
Exchange	......	......	......	......
	1,152,001	787,021	......	......
Earnings	1,093,970	......	......	......
Exhaustion	120,000	120,000	120,000	190,000
Taxes	45,791	57,712	14,675	11,800
Haileybury donation	......	964,733	498,357	......
Profit, less dividend	......	......	......	1,000
	......	......	......	160,000
Balance forward	......	......	......	857,719

ASSETS

	1926 $	1925 $	1924 $	1923 $
	928,179	858,735	105,797	8,269
Cash	234,367	126,524	72,439	57,582
Bullion on hand	294,136	159,982	50,572	34,121
	528,503	286,506	123,011	91,703
Accounts receivable	4,827	3,350	826	1,362
Doubtful accounts	......	133	133	133
	4,287	3,217	693	1,229
Supplies on hand	96,187	116,423	41,742	30,134
Dominion of Canada	201,969	202,107	202,325	252,489
Kirkland Lake Hospital	15,000	15,000	......	......
Victory bonds and deposits	......	......	......	......
Buildings, structures, etc.	1,178,566	1,032,719	576,680	461,819
Depreciation	481,749	283,441	216,721	185,912
	696,817	749,278	359,959	275,907
Mining properties	1,021,510	1,021,511	1,021,511	1,021,511
Developing and organizing expenses	201,137	201,127	201,127	201,127
	1,222,637	1,222,638	1,222,638	1,222,638
Less provided for exhaustion	940,000	850,000	700,000	610,000
	282,637	372,638	522,638	612,638
Insurance reserve fund	49,986	33,820	15,459	10,095
Employees' benefit fund	8,400	1,768	......	......
Sundry assets and prepaid	8,878	9,251	3,330	6,474
	62,264	44,821	18,789	16,569
Total assets	1,888,206	1,789,990	1,269,158	1,280,669

LIABILITIES

	1926 $	1925 $	1924 $	1923 $
Provided for taxes	......	......	15,000	13,575
Accounts payable	94,526	150,015	25,638	32,922
Salaries and wages	12,818	15,594	7,183	8,332
Accrued charges	44,595	31,928	9,903	3,779
	151,929	197,537	57,724	58,609
Reserves	53,386	35,570	15,459	10,095
	205,315	233,107	73,183	68,704
Capital stock, less discount	1,332,205	1,332,203	1,332,203	1,332,203
Add balance brought forward	350,686	224,680	*136,228	*120,238
	1,682,891	1,556,883	1,195,975	1,211,165
Total liabilities	1,888,206	1,789,990	1,269,158	1,280,669

* Debit balance.

Much Activity Going on on Ribstone Structure

SASKATOON.—John Laycock, Western Provinces Oil general manager, has completed a survey of Lloydminster oil area. He says:

Several outfits are already on the ground rigging up and about ready to spud in, including the Imperial Oil, which is drilling on C. P. R. land in section 5-45-28 W.4.

Most of the other locations are in the same township, and range, and close to the Saskatchewan boundary.

Several American and English geologists and engineers are on the ground doing field work for outside interests.

The advent of the C. P. Railway from the south, which parallels the boundary about 2 miles away for several miles into Lloydminster, will be a great help to the development of the field, reducing transportation difficulties and costs materially.

ONT. GOLD OUTPUT FOR FIRST 8 MONTHS

Porcupine Behind Last Year—Kirkland Lake is Higher

Figures showing the output of Ontario gold mines, as reported by producing companies to the Ontario Department of Mines, are subject to revision, due to the fact that the largest producer (the Hollinger) reports its production on a four-week basis, and estimates are necessary in order to adjust the statistics to the calendar month period.

	Ore milled tons	xTotal value
Porcupine		
Calendar year, 1925	3,016,178	$24,886,615
July, 1925	248,817	2,163,463
July, 1926	243,760	1,715,954
August, 1925	263,119	2,267,095
August, 1926	293,477	2,032,226
First 8 months, 1925	1,996,969	16,380,583
First 8 months, 1926	2,085,407	15,978,235
Kirkland Lake		
Calendar year, 1925	383,235	5,403,289
July, 1925	32,812	515,322
July, 1926	41,315	547,069
August, 1925	32,371	434,109
August, 1926	43,542	637,924
First 8 months, 1925	248,262	3,577,939
First 8 months, 1926	318,010	4,598,121
Miscellaneous		
Calendar year, 1925	131	5,641
First 8 months, 1926	515	3,043
Total for calendar year, 1925	3,399,544	$30,295,545
Total for July, 1925	281,629	2,678,785
Total for July, 1926	285,075	2,263,023
Total for Aug., 1925	295,490	2,701,204
Total for Aug., 1926	337,019	2,670,150
Total for first 8 months, 1925	2,245,231	19,958,522
Total for first 8 months, 1926	2,403,932	20,579,399

xThis total includes the silver contained in the crude gold bullion marketed. For 1925 the value of silver was $172,430, or an average of $14,369 per month.

During August producing mines in order of output were as follows:

Porcupine (7)—Hollinger, Dome, McIntyre, Vipond, West Dome Lake, Ankerite, and Paymaster.

Kirkland Lake (5)—Lake Shore, Wright-Hargreaves, Teck-Hughes, Tough-Oakes-Burnside, and Argonaut.

Receipts of crude gold bullion from Ontario at the Royal Mint, Ottawa, for August, totaled 125,726 crude ounces, containing 100,608 fine ounces of gold and 17,127 of silver, with a total valuation of $2,090,363. Since December last increased shipments of Ontario gold have been made to the Royal Mint at Ottawa, with the result that a considerable quantity of the metal is being accumulated. At the end of August the percentage of gold against Dominion treasury notes in circulation was approximately 62 per cent. The gold held by the minister of finance amounted to $113,375,022, as against a total note circulation of $181,365,134.

RICH ORE CUT ON CRYDERMAN

Reports from Winnipeg are to the effect that Mining Corporation on Cryderman had opened up rich ore on 250-ft. level. Best surface showing on the vein was some distance along from the shaft and it is possible that the 250 ft. drift has just got under this.

SHOULD BEAVER CO. DISTRIBUTE SHARES OF KIRKLAND GOLD?

Are Shareholders Entitled to Liquid Instead of Frozen Asset?

Rather a serious controversy has developed in regard Beaver Consolidated. It arises out of a contest that has developed whereby Frank Culver, pres., is to face keen competition when he seeks re-election. Arising out of letters or statements to shareholders have been certain obligations, which have been met by other obligations, these between J. B. Tyrrell and Mr. Culver, and culminating so far in a threatened libel action.

In reviewing the situation there are many things to weigh and consider. The allegations, which now promise to be aired in court, are important, but perhaps the first consideration for the shareholders is the broad one of whether or not the Beaver Co. shall continue to hold in its treasury its large blocks of preferred and common shares or distribute them to shareholders.

The point seems to have arisen through the Tyrrell group, Messrs. Tyrrell, Hanna, Cronyn, criticizing the Beaver Co. for marketing Kirkland Lake shares and employing the funds to develop Beaver Auxiliary property at Elk Lake.

Mr. Culver's reply was that Mr. Tyrrell examined the Beaver Aux. group and recommended work, or something to that effect. Mr. Tyrrell says he made no recommendation. The reports will speak for themselves. Mr. Culver also makes statements in regard recommendations at the board of directors' meeting. Mr. Tyrrell says he did make a report on August. 1925, after a hasty visit and another September, 1925, after two weeks' examination. They dealt with geological matters. Mr. Tyrrell says anyone reading them would see they do not recommend that any work be done.

Mr. Culver said that Mr. Tyrrell received 513,879 shares Kirkland Lake Gold but that only 68,278 shares stand in his name now. The inference is that the balance had been marketed.

Mr. Tyrrell says a block of 513,879 shares were not issued to him in his own name, but to his bankers, with the knowledge of Mr. Culver and were still in his banker's name in trust for him.

Mr. Culver through a letter from his lawyer to Mr. Tyrrell's lawyer, regarding threatened libel action, says he does not know the allegation about the stock to be incorrect. They say they are instructed to accept service.

So much for the disputes. The big point from the shareholders' point of view has been sidetracked, i.e., what shall be done with the shares Beaver holds in its treasury, 1,240,027 common, 500 000 preferred.

Mr. Tyrrell and associates take the stand that the shares should not be sold to keep the auxiliary property going. In this regard they should have the support of the shareholders.

Mr. Culver has now gone one farther in his re-election campaign, he says he will distribute these shares as a Beaver dividend. This, to the writer, is as it should be.

Kirkland Gold shares were bought by money belonging to Beaver shareholders, and diverted from dividends. They make Kirkland Gold possible, while funds which Mr. Tyrrell and Anglo-French Exploration put up made it highly profitable for all concerned.

Mr. Tyrrell, Anglo-French, Beaver Cons., have been in a position, if they so desired, that they could get their money back, if they desired by selling part of their Kirkland Lake holdings with the stock ranging from $1 to $1.22. But the shareholders of Beaver Cons. who also had their money tied up in this venture have been denied this privilege. Anglo-French, we understand, has liquidated quite a block of its holdings at good profits.

Kirkland Gold should soon be on a profitable basis so that no further financing is necessary. The company and those at the head of it should be interested only in mining, and so are hardly concerned with the market for the shares. Beaver shareholders, however, as individuals, are concerned in the market for Kirkland Lake shares, as the higher the price of the market the greater is the value of their asset, but if the asset is in a frozen position where they cannot reach it to realize on it if needs be, or to liquidate if their judgment so dictates, their position is not desirable from now on. Distributing such a block will menace the market for Kirkland Lake shares. This is evidenced by the fact that the very threat of it has caused the price to ease to $1. Some people regard Kirkland Lake well, others do not. These who do not among Beaver shareholders should hardly be denied the right to liquidate their holdings and get what is rightly theirs, earnings on Beaver shares that were diverted from surplus account into another venture.

Ore receipts at the Trail Smelter of the Consolidated Mining & Smelting Co., for the period Sept. 15 to Sept. 21, totalled 14,265 tons, and for the year to date 420,549 tons.

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WHAT RACES ARE BEST?

VIEWS expressed by Hume Cronyn, one of our most highly respected legal and financial men, on the subject of immigration, will meet with the approval of most Canadians. He sets forth the opinion first that Canada should go aggressively after immigrants, chiefly agricultural immigrants. But he adds to this the rider that the immigrants should be carefully selected from the standpoint of their power to be easily assimilated, racially, with the Canadian people.

Undoubtedly, Mr. Cronyn's views are in tune with the most widely expressed current thought on the subject. It is generally charged that the "melting pot" has been a failure in the United States and has not produced a powerful, clean-cut people, combining the best of the various races that have been poured into it. Canadians seem to be echoing widely expressed American views on the subject and many of our public men are warning against repeating the American experiment, suggesting rather, as does Mr. Cronyn, that we seek our new peoples from among the British folk and the people of North-western Europe, whose rugged bodies, aggressive energies and clear minds are akin to our own.

Mr. Cronyn's views will find almost universal commendation. But it would be intresting to hear expressed the other side of the story. Has the melting pot been a failure in the United States? Has the inter-mixture of diverse races always the effect of producing inferior stock? Is Canada incapable of Canadianizing the Latin, Slav and other Southern European races?

We do not feel that the question has been approached always with an open, inquisitive mind. It may be that we will come in time to a virtual open-door policy in immigration.

CANADIAN BRAINS

A PRESS notice states that the city of Calgary has just retained a Buffalo engineer to investigate public utility rates. Perhaps this particular engineer has had some special connection with rates in Calgary, and thus that leading city of the west may have been justified in employing one, not resident in Canada, to work out a Canadian problem. The incident should not blind us to the fact that Canada can provide as expert electrical engineering service as any country in the world—for in this business Canada is a pioneer. She predominates in the per capita volume of electric energy supplied to industry. It is in Canada that the largest dynamos have been built and here was long distance high-tension transmission first initiated and introduced. Obviously the consequent problems of rates can not have escaped the attention of these Canadian engineers who created the industry.

On the day that the appointment of the Buffalo engineer appeared in the press, R. A. Ross, consulting engineer, of Montreal, left for Buffalo to investigate rates for private interests in that city. While R. A. Ross is an international figure in his chosen field, he is known to the public through his work as a member of the Gregory Hydro Electric Investigatory Commission in Ontario.

Again, we read that the Canadian National Railways has appointed a firm of New York architects to design its new hotel in Vancouver. On the other hand, the International Paper Company, which is practically owned by Americans, in its large programme of expansion in this country, is taking the utmost care not to offend our national consciousness. Whenever and wherever possible it employs Canadians in executing its developments here. Indeed, it is said that the company, from its head offices, issued a pamphlet recently for distribution in Canada; through some mistake the pamphlet was printed in the States. In due course, the leaflet came into the hands of A. R. Graustein, the president; a hot ten minutes ensued for the one who allowed the pamphlet to be printed in the States rather than in Canada.

If the International Paper Company is worthy of commendation in pursuing a national policy in this country, is the C.N.R. on the other hand deserving of censure in neglecting these obligations? Canadian architects have in the past produced work of a quality and of such artistry that it is comparable to any contemporary work being carried out anywhere. They can still do good work and deserve to be employed.

Many will, no doubt, complain that Canadian architects were not employed to execute the job, but the Canadian architects as a group have certainly no cause for complaint for they have taken no steps to enlighten the average business man of the quality of the work they are capable of producing. Public contracts have in the past gone to the U.S. architects and yet Canadian architects sit back quite content to bask in the highly refined sunshine of professional ethics, and say nothing beyond writing occasionally to the daily papers. If Canadian architects were alive and willing to sell their wares like others, they would have put an end to such things by advertising. In all this, the architects might well follow the lead of their professional brethren, the Association of Consulting Engineers of Canada, which is displaying the wares of its members from coast to coast, by means of advertising.

But to get back to the point of where public bodies should hire their brains it must be admitted that there is always a danger in drawing the moral in a case like this. Brains are international and strict adherence to the principle of employing home talent in engineering and other professional works is not feasible. But Canada is fortunate in that she has engineers capable of handling successfully every job, and our governmental authorities should not forget that.

BITTERNESS NOT NEEDED

IF Rudyard Kipling and Dean Inge spoke the voice of England, one could fairly assume that Britishers have developed an inferiority complex. Neither of these gentlemen has added anything to the cause of world understanding, and particularly to the betterment of relations among English-speaking peoples, by recent writings. Kipling bitterly satirizes the United States in thinly veiled lines that are as offensive to good taste as they are insulting to that country. Inge speaks in such biting, unfair terms of the United States that one wonders if he is not mentally unbalanced. Taken together, they express a viewpoint that must suggest to the outside world that Great Britain admits that the United States has definitely established itself in a position of economic, social and political superiority that cannot be reconciled with the England of tradition.

No good can follow from pronouncements that embitter Americans and Britishers against each other. Most such writings and addresses are overlooked by the better elements in the two peoples. The mouthings of half-baked Arkansas politicians are not taken seriously in either country. Unfortunately, though, men holding such high positions in public estimation as Kipling and Inge are taken as speaking for their nation.

We in Canada know how futile and foolish it is for Britain and America to snap at each other's heels. Inflenced by both British and American tradition, and tempered with the influence of French thought, we abhor foolish talk across the Atlantic. Of such stuff, wars are made.

"SPORT" AND THE DAILIES

CANADIAN papers did not display the results of the Tunney-Dempsey fight on the front page. The daily papers made professional sport and, like so many other fathers, are beginning to view the growth and actions of their offspring with some amazement.

The big fight drew 132,000 people to its ringside who paid admission fees totalling some $2,000,000, and all because the daily papers devoted many editorial columns to advertising the participants.

Many view with alarm the growth of professional sport, which must mean an increase in onlookers and a decrease in participants. If in the future professional "sports" will have to rely more on paid advertising and less on free publicity, the evolution involved in such a change might work out to the general benefit of the community as a whole and to the younger generation in particular.

It is obvious that real sport and professionalism are poles apart, for the latter involves the necessity of winning, whilst the latter only includes the desire to win. There are those who agree that it would be a better thing if our Canadian colleges were precluded from obtaining the assistance of professional coaches; for if the coach can not turn out a winning team, out he must go—sometimes quickly, at other times, not so quickly. But if he loses, he goes eventually. Thus, it is argued, the professional coach may be able to teach football, but he cannot teach sport, for his one aim is to win. Some Canadian universities already feel this way, others may in the end come round to this point of view.

SUCH TAXATION IS FAIR

JOSEPH E. HOWES, assistant director of the Citizens' Research Institute of Canada, does well to make it clear that the argument for the taxation of publicly owned utilities is not an argument against public ownership. The two questions are not related, but whenever the sugestion is made that a city should collect taxes on Dominion-owned, provincially-owned of even city-owned public utilities, there are always those ready to rise and charge that the suggestion arises from malice against the public ownership movement.

Public ownership, as Mr. Howe points out, is not an end in itself. It is only a means to an end and if public ownership does not give better service at less cost than private ownership, it has not justified itself. There is no way of measuring the results of public operation of a utility unless it is put to the same test as the private company. This involves similarity of taxation.

What if it does mean taking money out of one municipal pocket and putting it in another? Every sound business institution in its cost accounting system does this very thing. But it knows what each of its departments is accomplishing, where the profits come from and where there are leaks. Unless publicly owned utilities are taxed in order that their users shall pay their share of the cost of service, no publicly-owned utility can be declared a success, because it has not demonstrated itself under a business-like system of operation.

HUNTERS AND FIRES

FOR those who are fortunate enough to be able to go hunting the question of fire prevention is being driven home with amazing force and simplicity by the use of the traveling permit. The laws of New Brunswick, Quebec and Ontario provide that certain defined forest areas may be set aside each year and that within these areas no tourist or hunter may enter (unless he be already licensed), until he has first obtained a traveling permit from the fire ranger in charge of the area. In this way a more or less accurate check is kept upon those who make a playground out of our valuable forests, and carelessness, which is the silent partner in nearly every forest fire, is put at a premium. For two years New Brunswick and Quebec have enforced their laws with very fair results, and Ontario, which placed the law upon her statute books at the last legislature, is expected to enforce it during the 1927 season.

There is a vital link in the chain, one which must be forged before the success that the law deserves can be achieved. We must all be educated in the school of fire-prevention. We instinctively resent any interference with our personal liberty and a law such as this can never achieve its object without the cheerful co-operation of every man who travels through our forest area. At present the Ontario law allows any fireranger to enquire and name and business of all those who pass through the territory, and both the conscious and unconscious effect of such a query has probably saved thousands of dollars' worth of timber which might otherwise have been a prey to carelessness. These laws are good. They have been placed on the statutes by men who not only value our forests but who have a proper realization of the tremendous losses caused each year by utter carelessness. It is up to each one to see that they are cheerfully and rigidly upheld.

EDITORIAL NOTES

NEXT WEEK is Fire Prevention Week. Clean up.

* * *

"ONE TREE will make a million matches. One match will burn a million trees."

* * *

"VANCOUVER, B.C.," doesn't stand for "Vancouver, Boom City," though one might think so.

* * *

BELGIUM holds the "up-stage" championship of the world, having turned down Alfred Lowenstein's offer of $50,000,000 for two years without interest.

* * *

JUDGING from advertising typography in American papers, movements to abolish capital punishment are less important than movement to abolish capital letters.

* * *

A READER of The Post, who agrees with us that Mr. Robb was the find of the last campaign because of his tax reduction and promise of further reduction if returned to power, declares that a greater achievement than tax reduction was Mr. Robb's Australian treaty.

Fifteen Years Ago

Extracts from Files of The Financial Post.

Canada Machinery Corporation presents first annual statement, showing earnings of $100,000.

Dividend and interest payments of $13,000,000 include only $240 interest in government bonds payable in Canada.

Maple Leaf Milling completes Port Colbourne mill.

Bell Telephone, with shares selling at 149, offers stock to shareholders at par.

Canada Should Select Immigrants From Races That Will Assimilate

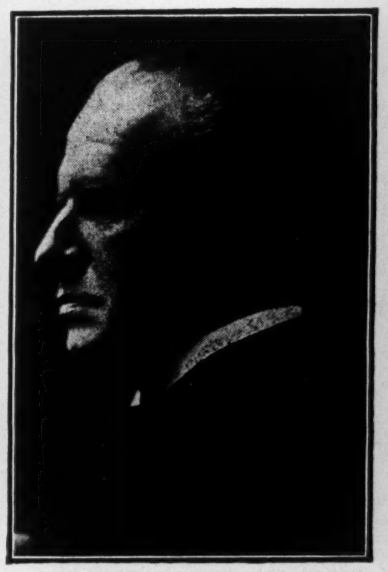
By HUME CRONYN,
At the Canadian Tax Conference, Winnipeg.

We are all agreed that immigration is a topic of vital interest to our country. The other day the president of the Canadian Pacific Railway remarked that "Canada's problems revolved around the necessity for more people, lower taxation and definite fiscal policies."

We live in a country of such magnificent distances, with at least three definite zones of isolation, and what population we have is so widely scattered, that national unity is hard of attainment. We have, too, the handicap of different races, which at times still further aggravates the situation.

We are, moreover, carrying an immense burden of debt—dominion, provincial and municipal—a debt which might well cause us to despair were it not for the extraordinary productivity of our country—notably that of these fertile prairie provinces.

Canada's "debts, races and empty spaces," are all difficulties which could be lessened, if not wholly overcome, were we able to induce a steady flow of selected immigration from the more crowded portions of the globe.



MAJOR HUME CRONYN,
President of the Huron & Erie Mortgage Corporation of London, and Vice-President of the Mutual Life Assurance Company of Canada at Waterloo. Major Cronyn told a Western audience that it was forty-one years since his first visit to Western Canada.

Right to Select our Citizens

I am going to take it for granted that no one questions our right to select those who shall be the future citizens of our country: that right, it seems to me, is inherent to our status as a Dominion.

We are fond of boasting that we are the heirs of all the ages, but none the less are we trustees for those who follow, and we should be recreant to that trust were we to fail to protect our children's children from the blighting influence of a lowered citivilzation.

I am also going to take it as axiomatic that we would not, if we could, attempt to fill up the country with peoples of a color other than white. much time could be spent in elaborating this point, but for my purpose it is perhaps enough to make the bald statement that nowhere in the world has a mixture of white and colored races produced a progeny of the best kind.

You have doubtless heard of the Brazilian delegate who, when this question was raised at an European conference, declared his country had solved the problem by allowing the freest intermarriage between Europeans and the natives of Brazil. Were we prepared to accept a future wherein the majority of our inhabitants would be brown or yellow, we might agree with our friend, but unless I am wholly mistaken the overwhelming feeling in Canada is in favor of a white population.

We must look, then, to Europe and to the United States as the sources which our immigrants will come.

British Immigration Possibilities

One naturally thinks of Britain first and foremost as offering the most desirable type of immigrant, but after many visits to the British Isles, and frequent conversations with those—both Canadians and British—who are interested, I am assured that we cannot hope to secure a sufficient supply of material from the old land. As a Scot put it, somewhat epigramatically to me: "The people we can spare—you don't want, and the people you want—we can't spare."

This at once involves the issue as to whether our efforts are to be confined—as they have been of late years—to securing from Britain those who are prepared to go upon the land and take up agriculture as a means of livelihood: or whether we should welcome newcomers of the artisan or urban type, who would naturally flock to our cities and enter industrial or commercial life.

This is an old and much-debated problem; not long ago it was pointed out to me that the famous Alexander Hamilton, more than a century since, in discussing the future of the United States, expressed strong views in favor of—what he called—a balanced immigration. He thought it would be a fatal error to shut out industrial workers from his country, and he set forth with extraordinary foresight the future of the United States as a great industrial nation. I am aware that in Canada there are many who agree with Hamilton's viewpoint, but notwithstanding the higher character of his authority, and the opinion of others in our country for whom I have the greatest respect, I still adhere to the belief that we should confine our efforts to attracting land-workers and land-lovers to Canada.

I am convinced we cannot commence to satisfy our needs from the British Isles. What, then of the rest of Europe? It is here the question of "variety of race" intrudes. You will note I say "variety of race." If I may be allowed to say so too little attention is paid to the question of race. When we think of China, Africa or Mexico, we can sense its significance, but we talk of the Latin and Slav races—whereas there are not such known to the ethnologist. The Latins received their title from their association with ancient Rome, while the Slavs are largely Alpine in race, with a decided eastern tinge.

Race Versus Nationality

Now, race is of infinetely greater importance than nationality because racial traits are born with us—have taken thousands, (nay, hundreds of thousands) of years in their formation, and cannot possibly be eradicated by a change of environment; they are, indeed, about the most persistent things in human existence.

Nationality, on the other hand, is a thing acquired and changed like a garment; it is at bottom a state of mind—being usually a mixture of beliefs, traditions and emotions; its real essence consists not in what one knows, but in how one feels. While it has played—and still must play—a tremendous part in the world's history, it is, in its turn, influenced by racial traits, and can never be so deep seated or vital a factor as race.

The continent of Europe, so far as race is concerned, may be divided roughly into three bands or zones. The northmost one (including Great Britain, Scandinavia, much of Germany and Northern Austria) is, in the main peopled by the Nordic races—a type distinguished by its stature, length of head, blue or grey eyes and generally fair hair.

Next to it come the Alpines, inhabiting a great part of the following countries — France, Southern Germany, Northern Italy, Hungary, Roumania, the Balkan Peninsula and Russia. The physical characteristics of this race are—shortness and stockiness of stature, roundness of head, dark eyes and hair.

And to the south of these lie the Mediterraneans—who, while they have not the round head of the Alpines, are distinctly olive in hue, are of slimmer stature, and betray in many ways their proximity to Northern Africa and Western Asia.

Dividing Lines Not Clear

You will understand the lines dividing these races are by no means clear; at point they merge one into the other, and as a result of ancient invasions and conquests there is in some countries a mixture of two or even three of these races. Then, too, those vast eruptions from the east and South in older days—of Moors, Mongols, Tartars and other Asiatic tribes—have, particularly in south-eastern Europe, tended to still further vary the original Mediterranean type.

We have spoken of the physical features of the three races inhabiting Europe—let us consider for a moment their mental and moral characteristics.

Nordic's Energy and Initiative

The Nordic is distinctly a man of energy and initiative—he is of the stuff from which leaders spring. He has shown himself to be particularly adapted to democratic rule, and it is in those countries where his race predominated that constitutional government has proven most successful.

Unfortunately for the *Nordic*, the qualities mentioned have *endowed him* with a partiality for conquest and no distinct aversion to battle. *Indeed*, had it not been for the endless wars engaged in by *Nordic* races they would to-day be infinitely more numerous.

The Alpines, on the other hand (who are said to have originated on the high plateaus of West Central Asia) while possessed of greater endurance, are less endowed with energy or initiative. They will follow an outstanding leader, but fail to exercise judgment on public matters. They are essentially of the peasant type, and besides being patient tillers of the soil are able, by reason of their less nervous temperament, to withstand better than can their Nordic brothers the stress of modern industrial life.

Emotionalism of Latin

The Mediterranean (or as we frequently miscall him—the Latin) is emotional to a high degree; loves and hates with intensity, and is apt to lack stability; neither in politics nor in war as he has a high sense of discipline. It takes a Mussolini to lead such a race, and one cannot foretell when death or change in public opinion may upset all that has been done. In saying this I am not overlooking the valuable traits notable in Mediterranean stock — the quick intellect, keen sense of beauty, love of art, and general joy of life.

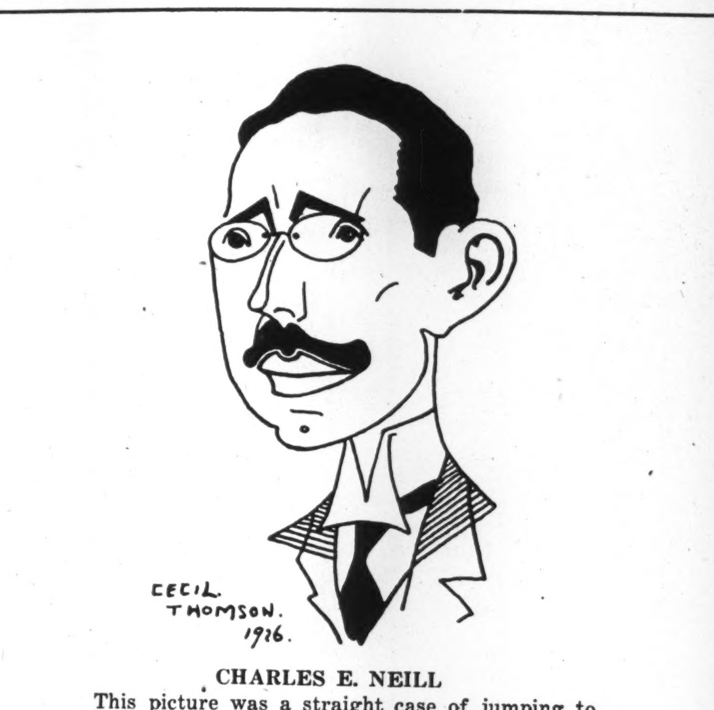
Having in a superficial way endeavored to portray the character of these three races, the question I put to you is, in selecting our immigrant, which stock should we prefer? Do not delude yourselves with the idea that a mixture of these races will preserve the more desirable features of each—such is not nature's way.

Need Larger Population

Let me attempt to sum up:

1. We are in need of a larger population in Canada.
2. That population should be for the

(Continued on page 15)



CHARLES E. NEILL

This picture was a straight case of jumping to conclusions. The artist knew that C. E. Neill was a banker and therefore guessed he must have a steely eye, and an ever-ready refusal on his lips. But he guessed wrong. Mr. Neill is not the cold-souled, icy-exteriored banker of fiction but a man as pleasant as he is able.

Once upon a time, when Mr. Neill was 16, he was junior clerk in a bank in New Brunswick. Now he is general manager of a bank with 1,000 branches or so, 900 of them in Canada. The Royal Bank of Canada is the supreme example of what our branch banking system is and does.

Mr. Neill has served his bank in many quarters. His first jump was from New Brunswick to British Columbia, and he saw service in London, South America and the West Indies later.

He usually has plenty on his mind, with the problems of thousands of customers to worry about. But he forgets them all when he lies in bed with a rattling good detective story in his hand.

J. Strathearn Hay
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British Columbia

4½% Gold Bonds

Dated June 29th, 1926. Due June 29th, 1930-1949

Principal and half yearly interest (June 29th and December 29th) payable in Canada also in United States gold in New York.

Denominations: $1,000.

Assessed Value of Property for Taxation Purposes	$820,407,268
Total Debt of the Province including this issue	$ 97,546,981
Sinking Funds	14,256,954
NET DEBT	$ 83,290,027

Population, 1921 census—524,582. Area—355,855 sq. miles

British Columbia ranks third in size among the Provinces of Canada, and its natural resources make it one of the wealthiest. It contains coal in almost unlimited quantities, while the total stand of timber is officially estimated to be more than 360,000,000,000 feet, board measure. The Province also possesses vast wealth in the form of precious metals and has abundant fishery resources.

PRICE: RATE TO YIELD 5%.

Full particulars on request.

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Business Established 1889

Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other inquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

Brompton Bonds

Is there any kind of a market for this new issue of Brompton bonds? A client wishes to buy some of the issue; tell me something about the bonds.

There is a ready market for the bonds of the Brompton Pulp and Paper Co. The issue is secured by excellent assets, and earnings over the past five years, applicable to bond interest and depreciation, have averaged four times the bond interest requirements. Earnings during the current year will be considerably in excess of this figure.

St. Lawrence Paper

Are the 1946, 6 per cent. bonds of the St. Lawrence Paper Mills a safe investment for my funds?

We believe that the St. Lawrence Paper Mills 6 per cent, twenty year bonds, due 1946, to be a safe investment. The company has total net tangible assets of approximately $179 for each $100 bond outstanding and, furthermore, it has an excellent record of operation. Earnings last year were more than twice the bond interest requirements and, as the company's newsprint capacity will be doubled by the end of this year, earnings in 1927 should show a substantial increase. The company operates under able management.

Switching Bonds

I hold two $1,000 6 per cent. bonds of the Northern Canada Power Company. Would you consider it wise to sell one of these bonds and purchase two bonds of $500 each of the Canada Steamship Lines and the Brompton Pulp and Paper Company?

The three bonds which you have named are all excellent. Whether you should hold both your Northern Canada Power bonds, or whether you should sell one of the bonds depends simply in the diversification which you have in your other holdings. Naturally, if your total assets consist of but the two Northern Canada Power bonds we should advise you to sell one of them in order to diversify your holdings. On the other hand, you probably hold securities in several other companies, and we see nothing to be gained from switching in this fashion unless you desire more diversification. We cannot judge whether you should sell one of these bonds unless we are aware of the extent and diversification of your total holdings.

Parsons Ocean Power

Can you give me any information concerning the Parsons Ocean Power Company of Nova Scotia?

We made some enquiries about the Parson's Ocean Power Co., Limited. We got no indication of the value of their securities but we would consider their securities would have little market value as the company has not demonstrated itself sufficiently to warrant a wide trading market in the securities.

The company was organized in 1922 and proceeded as fast as its limited finances would allow to erect a demonstration plant at Herring Cove, on Halifax Harbor in Nova Scotia. In the past three years it has erected at that place a power house and dock at which it feels that city has demonstrated the feasibility of generating electrical current from the movement and swell of the sea. For this it used the patented device which is the property of the company.

This, of course, does not provide complete proof of the effectiveness of the apparatus. The plant is not a model but rather a plant of practical size from which the actual data is being collected on which to base future installations of commercial size. At the present time the efficiency of the plant is being increased by some changes and final test has not yet been made.

Howard Smith Common

Reader.—What do you think of Howard Smith common at 52 as a business man's investment, of course, to be held for some time?

Howard Smith common would make an attractive speculation for you. The company depends for its earnings on sales of high grade paper in Canada; but, over the last few years large strides have been made in selling abroad and this is a field which will probably be more and more cultivated. There is but a narrow margin of profit at the present time in selling high grade paper in foreign markets, nevertheless, it allows the company to increase the scale of its operations and thus reduce overhead; furthermore, larger earnings from this branch of the company's activities may be anticipated as time goes on.

Howard Smith Paper Mills discontinued its common dividends in July, 1924. This naturally bettered the financial position of the company and by the investment of its working capital it now controls the Canadian Cellulose Company which early in 1927 will begin producing soda pulp from its new plant adjoining the mills of the parent company at Cornwall.

For the past five years earnings on the common stock have not been less than 7.44 per cent, before depreciation charges. We believe that earnings during the current year which ends December 31, 1926, will show an increase over 1925.

Canada Northern Power

Be good enough, please, to advise me if you consider the 6½ per cent. bonds of the Canada Northern Power Corporation to be a safe investment.

The assets behind the bonds of the Canada Northern Power Corporation consist of securities of subsidiary power companies serving the entire northern mining territories of Ontario and Quebec. We believe that mining operations in this section will continue their growth of past years and, thus, the future of the Canada Northern Power Corporation seems assured. The subsidiary companies have shown a substantial growth and, during the current year, large power contracts have been signed. The net earnings of the constituent companies during 1925, after payment of all underlying charges and the expenses of the Canada Northern Power corporation, and allowance for minority common stock interest, amounted to $766,545, as against bond interest requirements of the issue of $162,500. We believe the bonds to be a safe investment.

During 1925, the balance sheet of the Canada Northern Power Corporation shows that it took revenues of $294,460 from its subsidiaries. The issue of bonds was made this year, and the proceeds of the issue were used to purchase the control of the Northern Ontario Light and Power Company. The result of this purchase will, of course, be seen in the income account, which the company will publish at the close of the present year.

Ottawa Traction

Would yau please give your opinion of the Ottawa Traction common as an investment that will yield a sure revenue and also increase in value. I have been told that this stock has paid a dividend of 5 per cent. for the last ten years.

Ottawa Traction Co. is a holding company only, which derives its entire revenue from the shares of its subsidiary, the Ottawa Electric Railway Co. The company owns practically all the outstanding shares of its subsidiary.

The balance sheet and income account published annually simply shows a total of dividends received from the subsidiary and this sum is immediately deducted and paid out as a 4% dividend plus a 1% bonus to the shareholders of the Ottawa Traction Company. Thus, from the annual statements of the company, it it impossible to ascertain the actual earnings from the tramways' property in Ottawa.

However, earnings are published occasionally and for the six months ending June 30, 1925, the net earnings from operations available for fixed charges, dividends and reserves of the subsidiary company amounted to $210,627. For the first half of the current year this increased to $246,348.

Thus you will see that the company's net earnings applicable to fixed charges, dividends and reserves of one type or another such as depreciation, are at present running at the rate of just under $500,000 annually. From these earnings must be deducted fixed annual charges of $165,000 and dividends of $281,580. So that the margin left for reserves and surplus accounts is not large.

In 1915, the company's gross earnings amounted to $1,041,100 and ten years later, in 1915, were $1,733,357. Yes, we believe that the common stock of the Ottawa Traction Company will yield you a sure revenue and over a term of years may appreciate in value; however, you ask for a sure revenue and if you want this, you had better buy a government bond. The bonds of the same company, of course, are an excellent investment and naturally provide much more security than the common stock.

The Company operates the tramways line in and about the city of Ottawa under a franchise which precludes the possibility of competition from motor busses; fares may, if necessary be adjusted from time to time to ensure a fair profit on the capital invested.

The company has annually paid its 5% dividend since its inception thirteen years ago.

The stock looks to us to be a safe and satisfactory investment.

Ottawa Traction Common Stock

Ottawa Traction Common is a seasoned dividend - paying public utility stock, listed on the Montreal Exchange and yielding about 7½% at present quotations.

We have prepared a circular analysing the investment value of this stock.

Copy free on request.

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October Dividend Payments

Dividends	$25,490,213
Bond Interest	21,875,996
	$47,366,209

Industrials, Utilities, Etc.

Company	Rate	Date	Amount
Abitibi Pulp. com.	$1q	15	$250,000
Do. pref.	1¾q	2	17,500
Amer. Cyanamid, pf.	1½q	1	83,938
Amer. Salesb'k. com.	$1q	1	30,730
Asbes. Corp. pref.	1¾q	15	130,487
Alta. Pac. Gr. prf.	2 1/3	15	52,500
Barcelona Tr. pref.	1¾q	1	406,855
Belgo. Can. Pap. com.	1½q	11	127,500
Do. pref.	1¾q	1	70,000
Bell Telephone	2q	15	973,893
Brand-Henderson, pref.	1¾q	1	8,750
Brazil. Tr. pref.	1½q	1	150,000
British Amer. Oil	62½cq	1	550,000
Bldg. Products	1¾q	1	13,006
Burt, F.N. com.	3q	2	78,915
Do. pref.	1¾q	1	2,090
Brant. Cord. pref.	2q	15	17,000
Canada Dry	50cq	15	214,980
Can. Paperbrd. prf.	1¾q	1	5,250
Canada Bread, 1st pf.	1¾q	2	21,875
Do. pref. "B"	1¾q	2	43,750
Can. Car. pref.	1¾q	9	131,250
Can. Cement, com.	1½q	16	202,500
Can. Canners, pref.	1q	1	91,142
Can. Conn. Cot., pref.	1q	1	30,000
Can. Cottons, com.	2q	4	54,310
Do. pref.	1½q	4	54,922
Can. Explosives, pref.	1¾q	15	81,375
Can. Northern Pr. pf.	1¾q	15	83,125
Can. Gen. Elec. pref.	1¾q	1	149,759
Can. Indust. Alc.	32cq	15	256,000
Can. Locomtive, pref.	1¾q	1	26,250
Canadian Salt	2q	1	30,000
Can. Westinghouse	2q	1	148,658
City Dairy, com.	75cq	2	16,950
Do. pref.	1¾q	2	12,250
Consumers Gas	2½q	2	250,000
C. P. Rly. com.	2½q	1	6,500,000
Do. pref.	2s	1	2,002,970
Canada N. W. Land.	$2.00	15	118,168
Canadian Oil, pref.	2q	1	40,000
Cosgrave Brew.	1¼q	15	17,500
Dom. Power, pref.	1¾q	15	74,182
D'nnacona Paper, pref.	1¾q	1	29,312
Dome Mines	50cq	20	476,650
Dom. Glass, com.	1¾q	1	74,375
Do. pref.	1¾q	1	45,500
Dom. Stores, com.	60c	1	45,000
Dom. Textiles, com.	$1.25q	2	281,250
Do. pref.	1¾q	15	33,960
Dunlop Tire, pref.	1¾q	1	10,500
Duluth-Sup. pref.	$1q	1	15,000
Fraser Co.'s, com.	½q	1	50,000
Do. pref.	1¾q	1	34,125
Ford Motor	10	11	700,000
Goodyear Tire, pref.	1¾+3½x	1	236,250
Do., prior pref.	1½q	1	51,747
Gould Pumps, com.	1½q	2	11,212
Do. pref.	1¾q	2	13,080
Greening Wire, pref.	1¾q	1	11,375
Gilman Fanfold, com.	1½q	2	15,000
Do. pref.	1¾q	2	13,125
Goodyear Leather, pf.	1¾q	1	8,312
Gotfredson Corp.	37½q	15	37,500
Hillcrest Coll. com.	1½q	15	15,000
Do. pref.	1¾q	15	12,349
Hollinger Mines	2m	7	492,000
Holt Renfrew, pref.	3½	1	35,000
Inter. Paper, pref.	1½q	15	63,280
Do. pref.	1¾q	15	483,022
Illinois Trac. pref.	1½q	1	109,342
Inter. Util. "A"	87½q	15	183,269
Jam. Pub. Ser. pref.	$1.75q	1	14,512
Kaministiquia Pr.	1¾q	30	21,875
Kerr Lake Mines	12½q	15	75,000
Laurentide Power	1¼	15	131,250
Laurentide Paper	1½q	1	432,000
Muirhead's Cafet. pref.	25c	1	8,750
McKin. Ind. pref.	1¾q	1	17,500
Marit. Teleg. com.	1½q	1	12,750
Do. pref. (A)	1½q	1	15,000
Do. pref. (B)	1¾q	1	26,250
Mackay, com.	1¾q	1	724,157
Do. pref.	1q	1	500,000
Maple Leaf Mill., pref.	1¾q	18	51,275
Montreal Telegraph	2q	15	40,000
Mercury Mills, pref.	1¾q	..	15,750
Nat. Brew, com.	$1q	1	180,265
Do. pref.	1¾q	1	48,562
North Mex. Power, pf.	1¾q	1	52,500
Nipissing Mines	3q	20	180,000
North Star Oil, pref.	1¾q	1	17,500
Nat. Grocers, 1st pref.	2q	1	20,000
Og. Flour, com.	$1.25+$5q	1	468,750
Ott. L. H. & Pr. com.	1¼q	1	52,500
Do. pref.	1¾q	1	24,375
Ottawa Traction	1q	1	55,815
Ott.-Mtl. Pr. pref.	1¾q	15	13,125
Pacific Burt, com.	1¼q	2	9,813
Do. pref.	1¾q	2	11,301
Page Hersey, com.	75cq	1	83,340
Do. pref.	$1.75	1	52,500
Penn. Water & Pr.	2q	1	214,924
Porto Rico Rly. pref.	1¾q	2	17,500
Premier Mining	8cq	2	400,000
Prov. Paper, com.	1¼q	1	52,500
Do. pref.	1¾q	1	29,750
Price Bros. com.	1¼q	1	213,416
Do. pref.	1¾q	2	113,750
Quebec Power, com.	1¼q	15	59,986
Do. pref.	1¾q	15	61,989
Rogers, Wm. pref.	1¾q	2	19,649
Shawinigan W. & Pr.	2q	11	500,000
Shredded Wheat	75cq	1	300,000
Smith, H. Paper, pref.	2q	11	31,994
So. Can. Pr. pref.	1½q	15	71,422
Span. Riv. Pap., com.	1¾q	15	165,322
Do. pref.	1¾q	15	150,840
Sterling Coal	1q	1	25,000
Stanfields	$1q	10	10,000
St. Maurice Val. pref.	1¾q	1	119,123
Trinidad Elec.	1¼q	11	14,550
Tuckett Tobacco, com.	1q	15	25,000
Do. pref.	1¾q	15	35,000
Twin City, com.	$1.25q	1	275,000
Do. pref.	1¾q	1	52,500
United Secs., pref.	1½q	2	76,879
West. Grocers, pref.	1¾q	15	20,899
Wabasso Cotton	1q	1	35,000
West. Koot, Pr. pref.	1¾q	1	8,750
Winnipeg Elec. pref.	1¾q	1	52,500
Woods Mfg. pref.	1¾q	1	26,744
Wr.-Hargreaves	2½+5q	1	206,250
			$23,949,516

Banks

Dominion	3q	1	180,000
Montreal C. & D.	$2.50q	2	49,952
Nova Scotia	4q	2	400,000
			$629,952

xOn arrears.

Loans, Trust, Insurance

Company	Rate	Date	Amount
Canada Landed	2½q	1	30,125
Canada Permanent	3q	1	210,000
Central Can. Loan	3q	1	52,500
Canada Life	5q	2	50,000
Chartered Trust	1¼q	1	6,510
Canada Perm. Trust	1¼	.	12,500
Crown Trust	1½q	1	7,500
Dom. of Can. Gr. Ins.	4¼q	1	18,135
Eastern Trust	2q	1	20,000
East. Can. Savings	2q	1	15,000
Guar. of N. Amer	3q	15	9,188
Huron & Erie Mtge.	1¾q	1	87,500
Imperial Life	3¾q	1	22,500
London Loan & Sav.	1¾q	1	15,600
Londo n& West Trusts	1¾q	2	8,750
Montreal Trust	4q	15	40,000
National Life	2½q	1	6,250
National Trust	3q	2	67,500
Ont. Loan & Deb.	2¾q	2	48,125
Royal Loan & Sav.	2½q	2	15,000
Sun Life	3¾q	1	37,500
Tor. Gen. Trusts	3q	1	60,000
Toronto Mortgage	2½q	1	18,112
Toronto Savings	3½q	1	35,000
Union Trust	1¾q	1	17,500
			$ 910,745

qQuarterly.
sHalf-yearly.
mMonthly.

Bond Interest Due in October

Company	Rate	Due	Amount
Amer. Salesb'k.	6	1939	$30,000
Algoma Steel	5	1962	386,482
Atlantic Sugar	5	1941	98,167
B. E. Elec. deb.	4½	....	20,994
Brand. Henderson	6	1936	8,988
Canada Cement	6	1929	146,499
Can. Cons. Felt	6	1940	7,710
Can. Paperboard	7	1937	24,850
Camaguey Elec.	6½	1953	48,750
C. P. R.	5	1934	300,000
Can. West. Nat. Gas	5	1936	42,547
Can. Niagara Pr. debs.	6	1932	194,400
Davidson Mfg.	6	1942	6,267
Dom. Rubber	6	1946	78,000
Dom. Canners	6	1940	41,070
Dom. Power & Trans.	5	1932	139,550
Dryden Paper	6	1928	9,120
Do.	6	1945	33,000
East. Koot. Power	7	1942	70,000
Ft. Will. Paper	6	1946	105,000
Gould Pumps	6	1942	22,260
Gt. North Rly	4	....	28,974
Minn. & Ont. Pap.	6	Serial	480,000
Mt Royal Hotel deb	8	....	10,856
M. L. & Pr. (Lachine)	5	1933	70,800
Mont Trams. & Pr.	6	1929	240,000
Mont. Trams "A"	5	1955	445,662
Manitoba Paper	6½	Serial	130,000
N.S. Tram. & Pr.	7	1952	51,380
McKinnon Ind.	6½	1945	32,500
Pacific Burt	6½	1937	10,513
Penn. W. & Pr.	5½	1953	67,500
Port Alfred Pulp	6½	1943	163,881
Northern Ont. Bldg.	6½	1939	27,625
Rio de Janeiro Trams.	5	1958	582,210
Quebec Power	6	1953	150,000
South. Can. Pr.	5	1955	150,000
Sawyer-Massey	6	1927	5,052
Shawinigan "D"	5½	1954	33,750
Do. "E"	5	1955	25,000
Simpson's, Ltd.	6½	1945	182,000
Tooke Bros.	7	1942	11,147
Western Power	7	1926	12,474
Winnipeg Elec.	6	1954	210,000
Wood Mfg.	6	1943	28,095
Corporation Bonds			$4,963,073
Refunding Loan	4½	1944	1,125,000
War Loan Bonds	5	1931	1,323,290
Refunding Loan	5	1928	1,325,000
Do.	5	1943	3,675,000
1-year Notes	4	1926	700,000
Municipal Bonds			x3,400,000
Provincial Bonds			x2,800,000
Pub. Service Loan	5	1931	625,000
Dom. Loan (1897)	2½	1947	61,101
Do. (1913-14)	4	1940-60	1,878,532
			$21,875,996

x—This figure is determined by dividing by 12 the estimated total interest payable during the year on these issues.

FOLKS and Finance

H. C. FLOOD who at present is the vice-president of Nesbitt, Thomson & Co., is severing his connection with that firm at the end of this month and will continue in the bond business in a new firm which will bear his own name. Offices will be opened in Montreal shortly. In addition to his connection with the investment house of Nesbitt, Thomson & Co., Mr. Flood is also a director of Eastern Trust Co., the St. Lawrence Paper Mills, Northern Utilities and some other companies.

Herbert Carson Flood was born in St. John, N.B., in 1890 and began his business career as a junior in the Royal Bank of Canada in St. John in 1907. Three years later he joined the investment house of J. M. Robinson & Sons and for two years was in the employ of this firm as a salesman. Commencing in 1912 he sold bonds for the Royal Securities for two years. It will be seen that Mr. Flood received his early bond sales training in the hard school of the Maritimes.

Between the years 1914 and 1919 he was associated with the Eastern Trust Co., and during that time opened that company's Charlottetown branch and became assistant manager of its Montreal office. In 1919 he was appointed sales manager of Nesbitt, Thomson & Co. and in 1920 became vice-president and director of the firm. Unfortunately, the early archives reveal the fact that, as a junior in the Royal Bank in St. John, he made a name for himself as a poker player—but of late years his skill in this pastime, or perhaps it would be better to say art, has been turned into other channels which include the collecting of etchings.

He is fond of shooting and once a year returns to the eastern provinces in search of woodcock. His other outdoor amusements include tennis, but golf does not hold him in its thrall; in fact he declares that "golf is more than a game—it's a business." Although occasionally he shoots a round on the links, yet the joys of a sleeping bag laid out on the early autumn snows while on a shooting trip in the Maritimes have for him far more appeal. To achieve this end he goes eastward soon for a short vacation.

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POST-Scripts

THE title of champion crow exterminator for 1926, goes to William A. Wager, of Roland, Manitoba. Mr. Wager rolled up a score of 6,108 points, which gave him a margin of 141 over his nearest competitor. Points were awarded on the following basis: One point for each crow's egg; two points for each crow's foot. This is the second contest of its kind to be staged by the Agricultural Department of Manitoba, and the results appear to be very encouraging. This year there were points awarded for 81,143 eggs, less than half the number taken last year, and 72,438 feet, more than three times as many as in the 1925 competition. One thousand dollars were divided among 100 prize winners, the first prize being $100. The contest opens in the spring and closes in the first of September.

Jack Miner will please note.

THE most ambitious and hard working newspaper man in the world has been discovered in the northern parts of British Columbia, the Vancouver Province tells us. A note in the Interior News, published at Smithers, apologizes for a short delay in the appearance of a recent number of that journal. The editor qualifies the enormity of the offense by remarking that it is not always easy to get the paper out when you come to consider that he is also on the executive of the Board of Trade, the Athletic Association, the Public Hall and a member of the Town Council—to say nothing of his duties as secretary of the Fall Fair and about half a dozen other things.

He then naively remarks that in four years the paper has been late twice. The first time was due to a failure in the presses and the other time he attributes to "sheer laziness." No wonder we are a great race.

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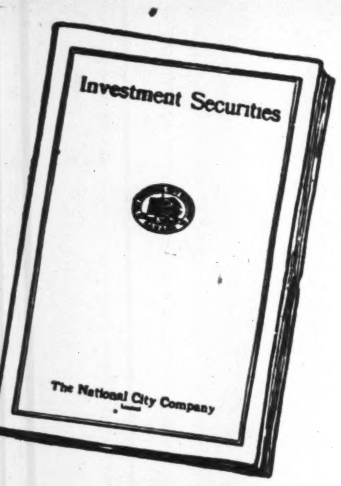

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News of Investment Markets

BOND PRICES HOLD DESPITE FALLING AWAY IN DEMAND

Investors Not Active in Municipals, But Supply is Not Large

When the city of Hamilton opened tenders for a bond issue this week it was gratified to find a bid of a slight fraction over par for 5 per cent. bonds. It borrowed on a cost basis of 4.99%. The bid might have indicated, in normal circumstances, great strength and activity in the Canadian government and municipal bond market and have led to the assumption that prices were high and firm. Bond men state, however, that the bond market is not particularly active or strong; that the high prices prevailing for bonds do not reflect great activity so much as the fact that, for about a year, so little new financing has been done in Canada that bond houses have big high prices for issues that were likely to stay on the Canadian market, in order to keep enough bonds on their lists to satisfy their customers.

Bond Prices Lower Than in 1925

Bonds are not selling on as high a level to-day as a year ago. Then, municipal bonds sold from 4.85 to 5.05 per cent. To-day, the market is around 4.95 to 5.15 per cent., a higher yield but a lower price for the bonds. For provincial issues the yields are lower, ranging from about 4.80 per cent. for Ontario issues, where the market price is set in New York, to 5 per cent. for bonds selling at a premium. Premium bonds usually yield more than bonds not bearing high coupon rates, since they are not so popular with investors.

There has been less than normal trading in bonds during the past year. Investors have definitely gone on strike against purchasing municipal bonds at yields of less than 5 per cent. They cannot accustom themselves to the great change that has come over the market in the past three years. Moreover, many investors cannot afford to take the lower yields. While commodity prices have dropped from the peak more than bond yields, investors generally feel they need a larger yield than 4.85% or so on their investments. They have turned to the second grade muncipals, for which there is active demand at prices to yield up to 5.50% and, of course, to good corporation issues.

In view of the comparative lack of demand for municipals, one might ask why the market has held up as well as it has. Two factors have entered in. One has been the strong demand for good Canadian bonds in New York. Practically all of the provincial issues and most of the large issues of select municipal bonds have gone to New York. Thus few bonds have come on the Canadian market.

Less Borrowing is Done

The second reason is the fact that Canadian municipalities and Canadian provinces have not been spending as freely and have borrowed less in the past year.

None of the bond houses are overloaded with bonds. They just find trading slack.

As to the outlook, it is pointed out that across the line money rates are showing some tendency to rise and therefore bonds are bound to ease off. This may be reflected in Canada, as a variation from the long term trend, which is, in Canada, for lower money rates and, therefore, higher bond prices.

Toronto Harbor Reduces Debt Another $380,000

In accordance with its trust deed, dated September, 1913, the Toronto Harbor Commissioners are buying in $380,000 of bonds in order to fulfil their sinking fund obligations. These bonds bear interest at 4½% and are purchaseable at a price not exceeding 105 and accrued interest.

According to the trust deed made between the harbor commissioners and the National and Toronto General Trust Companies, a sinking fund was established in 1918 in order to provide a sum sufficient for the redemption by 1953 (the maturity date) of 50 per cent. of the amount of stock or bonds issued up to the first of August, 1918. Furthermore the sinking fund is increased from time to time in order to take care of additional stock or bond issues. Payments into the sinking fund are made by the harbor commissioners on the first day of September every year and immediately after the receipt of such payment the trustees are empowered to use the money to purchase bonds in the market. If a sufficient number of bonds are not forthcoming the trustees are empowered to draw the proper number by lot.

Besides these annual payments to the trustees, any money received from the sale of lands covered by the mortgage must also be set aside by the commissioners and used for the purchase of bonds. This does not include any money received from the sale of reclaimed lands which have been added to the harbor property since the trust deed was made. At the end of December, 1925, there were $21,493,000 of bonds outstanding.

Mitchell Co. Buys Bonds

MONTREAL.—J. S. Mitchell & Co. has declared the regular quarterly dividend on the preferred stock payable October 1 next. It is understood that at the meeting of directors called to consider the dividend payment, some consideration was given to the advisability of declaring an initial payment on the common stock, but that it was decided by the board to delay action and to apply the money to building up the company's liquid position. It is understood that the company will have funds available for investment in government bonds.

Sell Million German Electric Bonds in Canada

It is understood that around a million dollars of bonds of Siemens & Halske and Siemens-Suckertwerke were sold in Canada. This issue of the great German electrical goods trust was offered jointly in Canada and the United States during the past week by a syndicate that included, in Canada, Dominion Securities Corporation.

The issue consists of $24,000,000 of 25 year, 6½ per cent. sinking fund gold debentures. They are secured as a first charge on both companies and allied interests. Total assets amount to $123,000,000 and ahead of this issue stands a total combined funded debt of $14,060,000.

Bonds are offered to yield 6.55 per cent. The price is 99. Half is to be paid upon delivery of the bonds, the balance to be subject to call on certain terms set forth. In addition, purchasers of the bonds get warrants entitling them to share in future profits upon agreed basis.

Spanish River Bond Holders Have Passed Up Dividends

An unusual situation has developed in connection with the 6 per cent. first mortgage sinking fund gold bonds of the Spanish River Pulp and Paper Mills, and its subsidiaries, the Lake Superior Paper Company, and the Ontario Pulp and Paper Co. A number of holders of these bonds have not been receiving the dividends to which they are entitled, with the result that Spanish River Company is publishing notices asking those holders who have not claimed the proportion of the preferred stock dividend payable as at June 30, 1920, and the extra sheet of dividend coupons to which they are entitled, to do so without delay.

It will be recalled that, following an agreement entered into with bondholders some years ago, 10 per cent. of the total amount available for dividends to share holders had to be paid to bondholders. At June 30, 1920, the arrears of dividend on the preferred stock amounted to 42 per cent. and to wipe them out, a stock dividend was declared. The proportion of said dividend falling to the bondholders amounted to $3.40 for every $100 of Bonds.

Of the total of bonds outstanding, holders representing $300,000 bonds have not yet applied for their shares of the stock dividend, nor have they taken advantage of the dividends on same from 1920. As the bonds were for the greater part payable to bearer and are probably widely distributed, it will be seen that the company has been handicapped in dealing with the matter.

Bits About Bonds

It is becoming increasingly evident that the crop-moving period this year will not be accompanied by the selling of bond holdings by Canadian banks, say McLeod, Young, Weir & Co., in their weekly review of the bond market. A curtailment of what has become their more or less normal volume of purchases from month to month will be the sole effect upon the bond market of a seasonal period which was characterized by acute stringency before Canada accumulated her present large store of liquid wealth.

The mortgage rate always exercises a very direct influence on prices of government and municipal bonds. Attractive mortgage loans are becoming so scarce that the mortgage rate is tending toward a lower level. The average term of a mortgage is much shorter than that of a long-termed bond. The legal accounting and collection expense of mortgage loans is considerably greater than that of bonds. The differential of income return, therefore, must be decisively in favor of the mortgage loan before this class of investment is attractive as opposed to bonds. As an index, the tendency toward lower mortgage rates points to firmer bond prices.

It is noteworthy that many Ontario financial institutions are now loaning a considerable part of their mortgage money in Montreal. Loaning competition there is less keen than in Toronto.

* * *

Additional profit possibilities are an attraction added to the Siemens issue offered this week. To each debenture sold, will be attached a warrant entitling the holder to share in future profits. For the years 1926 to 1935, if Siemens & Halske and Siemens-Shuckterwerke dividends exceed 7 per cent., the debenture holders will be paid $3.33 1/3 for each additional one per cent. paid out as dividends. This amount is payable on each $1,000 debenture.

Only half of the price of the debentures is being called now, the balance being subject to later call.

An estimate has been made of the speculative possibilities in this arrangement. Current yield on the issue at 99, is 6.57 per cent. If the companies should raise their dividend rate to 8 per cent. the extra payments to debenture holders would increase the yield to 6.90 per cent., if only 50 per cent. is called, or 6.74 per cent. if investors are required to pay for the debentures in full. The following table shows how the yield would rise with increased dividends. A price of 99 for the debentures is assumed:

Average div. rate	Addit. interest	Yield on debentures 50% paid	Paid-up
7%	$16.00	6.57	6.57%
7½%	1.67	6.90	6.74%
8%	3.33	7.24	6.90%
8½%	5.00	7.57	7.07%
9%	6.67	7.91	7.25%
9½%	8.33	8.25	7.41%
10%	10.00	8.58	7.58%
10½%	11.67	8.92	7.75%
11%	13.33	9.26	7.91%
11½%	15.00	9.60	8.00%
12%	16.67	9.93	8.25%

* * *

Warnings against hasty liquidation of real estate bonds is sounded in the current issue of the Investigation Bulletin, published by the Brookmire Economic Service, Inc., which, while conceding there is danger of delayed and defaulted interest payments on many real estate bonds, contends there is nothing to be gained by throwing such holdings overboard at this time. The realty bond market is panicky, according to this authority, values have been greatly discounted, and in consequence the time is not opportune for selling.

In its study of the situation, which has been aggravated because of the recent failure of a prominently known real estate bond house, Brookmire's analysis concludes that real estate bonds can no longer be bought indiscriminately, but must be judged individually. The formation of a real estate bond exchange will doubtless be hastened as a result of the present condition, according to Brookmire's, and numerous safeguards are found desirable. Most important among these is the suggestion that American practice adopt an ideal from British law. British law is reported to require appraisers to be personally responsible for any losses caused by over-valuation. "Such a requirement in this country would produce much more conservative financing than we have had in the past and tend to restore the real estate bond to its former position," according to this review.

Brookmire's review also observes that the present situation warrants a closer and more continuous check-up on earning reports of borrowers in the realty field, and advises purchasers of new realty bonds to rely more upon the standing of issuing houses than upon appraisal figures.

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Princess Theatre Issue Offered by Mackenzie & Co.

A bond issue of $400,000 is being offered by W. A. Mackenzie & Co. Ltd., Toronto, on behalf of the Princess theatre of Montreal, which is now controlled by its original owners, Canadian Theatre Co., Ltd. The issue is in the form of a 6½ per cent. first mortgage, 15-year sinking fund bond, with interest payable at Toronto and Montreal. The trust deed provides a sinking fund of $10,000 per annum commencing in 1928, which will retire more than half the bonds before maturity. The bonds are secured by a first (closed) mortgage on the land and building which form the Princess Theatre at 290 St. Cartherine St., W., Montreal, the land having a value of $365,000 and the building $446,000, a total of $811,000. In addition the company is to accumulate a special reserve fund of $30,000 as further security. The average annual earnings of the company during the last seven and a half years have been $67,500, which is exactly 2½ times the bond interest of the new issue.

The control of Canadian Theatres Ltd. was in the bands of a holding company, but has now passed into the hands of the original owners. The proceeds of the issue are to pay off the existing mortgage and provide money for other purposes.

$400,000

Canadian Theatre Co., Ltd. (Princess Theatre, Montreal).

6½% first (closed) mortgage, 15-year sinking fund gold bonds. Dated Sept 1, 1926. Maturing Sept. 1, 1941.

Company—Engaged in the theatre business under the Shubert franchise, Montreal.

Security—First and direct obligation of the company, secured by mortgage on the land, building, and other assets of the company, and by an additional security of $30,000 reserve fund.

Assets—Land to the value of $365,000; building valued at $446,000.

Earnings—Earnings applicable to bond interest, $67,000 annually during last 7½ years.

Offered—September, 1926, by W. A. Mackenzie Co., Ltd., 217 Bay St., Toronto. Price, par, and accrued interest, yielding 6½ per cent.

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5½% Interest Return

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Assets	6,184,420.00

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Best Interests of Public Ownership Served By Proper Taxing

By JOSEPH E. HOWES,
Associate Director, Citizens' Research Institute of Canada.

Every individual, every corporation, government — municipal, provincial and national. These services cost money and those who receive the services should pay their share of the cost either in fees, rates and fares proportioned to the services rendered or, where the services cannot be measured either actually or because it is not in the public interest to do so, in taxes levied more or less accurately in proportion to ability to pay. Ownership bears no relation whatever to the amount or cost of governmental services received by any undertaking. In the case of a street railway, for example, which on December 31, 1924, was privately owned and on January 1st, 1925, was publicly owned, surely the services supplied by government are identical.

The cost of these governmental services is an integral part of the cost of producing the service of the public utility to its patrons whether or not the government charges for these services. If the government charges for its services, the cost is passed on to the users of the public utility service. If the government does not charge for its services the users are relieved of a portion of the cost of the services of the public utility and the portion so waived is passed on to the general taxpayers. Either the services of governments are worth something or are not. If not, no one should have to pay for them, either the patrons of the utility or individual taxpayers. If they are of value, they are of the same value to the patrons of a privately owned utility as to the patrons of a publicly owned utility.

Ownership Does Not Count

Ownership of a utility has no bearing on the costs of the services rendered by the government to the utility and, therefore has no bearing on the amount of taxes charged against the utility, and passed on to the patrons through their payment for the services of the utility. Costs are costs and cannot be diminished by splitting up the charges for these costs between the users of services and taxpayers, who as taxpayers do not use these services, although in their capacities they may or may not use these services. Public ownership is not an end in itself. It is a means of securing better or more service at equal or less cost. In so far as it reduces cost or renders more or better service for the same cost it fulfils its mission. In as far as it only appears to reduce cost by passing on part of the cost to the public purse it is not only fulfilling its purpose but it is tending to blind the public to the real facts, it is rendering it difficult or impossible to compare the results of public and private operation and it is helping to demoralize the public by catering to the almost universal desire to get something for nothing, a desire which misguided or unprincipled men have played upon since the beginning of organized society.

Not Opposed to Public Ownership

The arguments for the taxation of privately and publicly owned utilities on the same basis is not an argument against public ownership. The best friends of public ownership are those who advocate the operation of publicly owned utilities on a business basis in every respect. They are convinced that any utilities which should be under public ownership are perfectly capable of paying their way, including the payment for services rendered by government which alone makes the operation of any utilities possible. They are also convinced that publicly owned and operated utilities which cannot pay their way should not be publicly operated unless private ownership is impossible, or undesirable from the standpoint of public health or safety.

To insist that a man is an enemy of another man just because he wants him to pay his bills, including his taxbills, or thinks it undesirable to have him venture into a business which cannot be sustained without levying on his friends and neighbors is a position no more untenable than to insist that one who advocates business methods in public ownership administration is an enemy of public ownership.

Promotes Inefficiency

It is a well known principle that the bestowal of unnecessary assistance tends to weaken individuals as well as peoples. It is equally true, though perhaps not so widely recognized, that a business which finds it easy to make profits tends to become wasteful and inefficient in operation. There have been many instances where businesses which were failing have, after reorganization, shown their ability to cut cost of operation and still to give more and better service. The placing of taxation on publicly owned utilities would not necessarily mean deficits or even increased charges. It might mean simply a stimulus to operating efficiency with resulting savings. It is a human trait that men tend to rise to meet emergencies and often surprise themselves and their friends by unexpected capacities. In any event, if deficits appeared, the public would be made acquainted with the facts in an unequivocal manner and would be in a position to take the steps, if any, which, in its judgment, the occasion demanded.

Utilities Now Taxed

The principle of taxing publicly owned utilities seems to be well established in the federal field. The Canadian National Railways continue to pay such taxes as its constituent units did under private ownership. In certain sections, various railways, now part of the C. N. R., were given certain tax exemptions which still obtain in the amalgamation. Privately owned roads also enjoy such exemptions. The Intercolonial Railway while a separate publicly owned unit did not pay local taxes, but it appears that steps are now being taken to acknowledge the principle in a practical way. Press reports state that a tentative agreement has been made whereby the Canadian National Railways will pay annually taxes in the Maritime Provinces aggregating $250,000; for P. E. I. $40,000; for Nova Scotia $91,000; for New Brunswick $91,000. This is recognized as a matter of justice. Is there any valid argument against the application of the same principle to provincially owned utilities such as railroads, telephones, etc.? In at least one province, some municipalities are seriously handicapped by not having the power to tax fully provincially-owned utilities located within their confines. In one province, the principle has recently been given partial recognition by allowing local municipalities to tax for school purposes the occupants or residents on the property of a publicly owned utility.

Municipalities Should Tax

It is frequently claimed that municipalities should not tax their own municipally-owned utilities. This might be so if all the people used all the utilities to the same degree and if no one but citizens used the utilities. But this is not the case. If such utilities are not taxed, part of the cost of the service of the utilities is paid by non-users who are tax payers and those non-residents who use the services receive them at less than cost. Moreover, it is extremely important that citizens should know the actual cost of the service of utilities which they do not know if taxes are not included. There is no more reason why the users of private utility services or even of the services of the butcher and baker should have to pay prices which include tax costs than that the users of municipal utilities should have to do so.

Every time a private enterprise is remitted in part or in whole, the burden on the general taxpayer is increased thereby. Other businesses and industries and the users of their services have to pay a part of the taxes properly belonging to public enterprises and the users of the services. The taxes of private business are increased at the same time that their ability to pay taxes may be decreased by competition with similar business in other cities. The situation is becoming a serious one for the taxpayers in some cities.

Where Competition is Direct

When these civic enterprises are in direct competition with similar private enterprises the injustice is readily apparent and in Ontario at least the tendency is at present to tax such enterprises as hydro shops selling appliances on the same basis as private enterprises. Some cities, moreover, are enforcing the principle even when private competition is not involved. In one western city where the water system pays no taxes, the hydro "pays to the city the equivalent (of all taxes including business tax) based on the rateable assessment — land full value, buildings 66 2/3 per cent. value—at the tax rate, less discount for prompt payment, 2 per cent. in 1924." In another city the waterworks are taxed on land and buildings, although the electric light and power plant and the telephone system pay on land only. In a western city the waterworks, street railway, light and power plant, were assessed in 1925 on land, buildings and personality in excess of $1,000,000 and paid taxes aggregating over $23,000. In another western city the municipal utilities—water works, light and power, street railway—were assessed in 1925 at over a quarter of a million on land and buildings and paid taxes in excess of $9,000. In another western city, while the public utilities—water works, street railway, light and power— are not assessed or taxed on land and buildings, they are charged 4 per cent. on their gross revenue, certainly a simple and effective method of taxation and one which might be considered by other cities. The municipal revenue from this source in 1924 approached $85,000.

The Hydro of another westerly city pays voluntarily taxes on the same basis as if it were privately owned.

Tendency is Growing

This, I think, is sufficient to indicate that, particularly in some parts of the West, there is a growing tendency toward the adequate taxation of municipally-owned public utilities. There are separate movements in Ontario for the municipal taxation of provincially-owned utilities. There is a growing appreciation of the fact that if it is right for the C. N. R., owned by the nation, to pay municipal taxes, and few provincial governments would deny this, it is equally right that provincially-owned utilities should pay municipal taxes. If citizens would give careful thought to this question and refuse to be turned aside by charges of subservience "to the interests," very soon we should have all publicly owned utilities standing on their own feet, asking favors of none and either demonstrating their essential soundness or betraying before great damage is done their essential unsoundness.

This Week's Bond Sales

HALIFAX SELLS BONDS

Royal Securities Corporation were awarded an issue of $35,000, 5 per cent., 30-year bonds, and an issue of $7,500, 5 per cent., 15-year bonds at 99.73. W. F. Mahon & Co. were awarded an issue of $1,500, 5 per cent., 5-instalment bonds at 99.07.

TOWN OF DRUMMONDVILLE

Town of Drummondville have sold $107,500, 5 per cent. bonds, due October 1, 1927-56, at 98.37, to Credit Anglo-Francais. Following is a partial list of bids:

Credit Anglo-Francais	98.37
Hanson Bros.	98.31
Wood, Gundy & Co.	98.27
Mead & Co.	97.93

TOWN OF GRIMSBY

Town of Grimsby have sold $19,000, 5½ per cent., 15-instalment bonds, to Royal Securities Corp., at 102.03. At this price the money is costing the town a 5.20 per cent. basis. Following is a list of bids:

Royal Securities Corp.	102.03
Mackay and Mackay	101.00
Wood, Gundy & Co.	100.92
C. H. Burgess & Co.	100.51

TOWN OF FARNHAM

Municipal Debenture Corporation have been awarded an issue of $200,000, 5 per cent. serial bonds at 99.30. The bids were:

Municipal Bankers Corp.	99.30
Credit Anglo-Francais	99.135
Versailles, Vidricaire & Boulais	98.87
Bank of Commerce	98.625
Hanson Bros.	98.15
L. G. Beaubien & Co.	97.08
A. E. Ames & Co.	96.267
Rene T. Leclerc	96.00

CITY OF MOOSE JAW

The Bank of Commerce were the successful tenderers for an issue of $185,000 City of Moose Jaw, 5 per cent., 15-year electric light debentures at 96.46. The bids were:

Bank of Commerce	96.46
Dominion Securities Corp.	96.231
C. H. Burgess & Co.	95.53
Royal Securities Corp.	95.178
Wood, Gundy & Co.	96.40
McLeod, Young, Weir & Co.	95 63
Dyment, Anderson & Co.	95.44
A. E. Ames & Co.	93.50

NORTH VANCOUVER DISTRICT

An issue of $194,100, 5 per cent., 20-year bonds was sold to Fry, Mills, Spence & Co., and Gillespie, Hart & Todd, at 96.57, which is equal to a cost basis of 5.28 per cent. Tenders were as follows:

Fry, Mills, Spence & Co., and Gillespie, Hart & Todd	96.57
R. P. Clark & Co.	96.41
Reid Bros. & Co.	96.13
Waghorn, Gwynne & Co.	95.93
V. W. Odlum & Co.	95.67

HAMILTON DEBENTURES SOLD

An issue of $686,181 City of Hamilton, 5 per cent., 20-instalment debentures, has been awarded to Dominion Securities Corporation at 100.077, or approximately 4.99 per cent. The tenders were:

Dominion Securities Corp.	100.077
Fry, Mills, Spence & Co., and Bank of Toronto	99.93
A. E. Ames & Co.	99.87
McLeod, Young, Weir & Co.	99.71
Wood, Gundy & Co.	99.62
Royal Securities Corp.	99.58
Dominion Bank, MacNeill, Graham & Co., C. H. Burgess & Co.	99.41
Dyment, Anderson & Co., Bell, Gouinlock & Co.	99.26
National City Co.	99.25

Tenders and By-laws

October 4—Village of Charlesbourg, P.Q.—$68,000, 5 per cent., serial bonds. A. Dorion, Secretary-Treasurer.

October 7—Village of Shawville, P.Q.— $35,000, 5½ per cent., 35 year, bonds. E. J. Hodgins, Secretary-Treasurer.

October 15—Town of Laval-sur-le-Lac, P.Q. $56,000—5%, 10 year debentures. H. Gohier, Secretary-Treasurer, 30 St. James St., Montreal.

October 4—Village of Campbell's Bay, P.Q.—$15,000, 5½ per cent., 25 year debentures. L. O. Gauthier, Secretary-Treasurer.

October 16—School Commissioners of the Village of St. Joseph d'Alma, P.Q.— $75,000, 5½ per cent., serial debentures. Eugene Boivin, Secretary-Treasurer.

Oct. 12—Hull—$200,000, 5 per cent. serial 30-yr. school debentures. Joseph Provost, sec.-treas. (See announcement on page 16).

Oct. 4 — St. Catharines — $393,684, 5 per cent., 1-30 years instalment, waterworks debentures. S. K. Watt, treas. (See announcement on page 16).

Oct. 5—Prince Rupert—$81,659, 5 per cent. debentures, 1-10-yr. serials, and 1-5-yr. serials. D. J. Matheson, treas.

Oct. 4—Brampton—$16,000, 5 per cent., 10-instalment bonds. C. M. Corkett, clerk.

Oct. 11—County of Matapedia, P.Q.—$12,900, 5½ per cent., serial debentures. J. A. Ross, sec.-treas.

Oct. 11—Town of Lachute, P.Q.—$25,000, 5 per cent. serial bonds. John A. Rice, sec.-treas.

UNLISTED BONDS

Abitibi 6% 1940	102¾	..
Algoma Steel 6% 1962	..	29
Belding 5% 1936	89	..
Belgo Can. Paper 6% 1943	..	100⅝
Bell Telephone 5% 1955	99⅝	100¼
Burns, P. & Co. 6½% 1943	103	104
Can. National Rly. 5% 1954	100⅝	101½
Calgary Brewing 5% 1942	83	..
Can. Steamship Lines 7% 1942	104⅞	..
Can. Pacific Rly. 5% 1934	99½	100⅜
Can. Pacific Rly. 4½% 1944	93⅜	94
Can. Steel Foundries 6% 1936	102	..
Dom. Textile 6% 1949	106¾	107¼
Duke Price 6% 1966	102⅜	102⅞
Frontenac Brewery 6% 1951	98	..
H. Smith Paper, 7% 1941	100½	..
Laurentide Power 5% 1946	100	..
Laurentian Power 6% 1936	..	101½
Prov. of Ontario 5% 1948	101	102
Ontario Pulp 6% 1931	106¾	..
Price Bros. 6% 1943	102⅞	103⅜
Quebec Power 6% 1953	103½	104
Winnipeg Elec. 6% 1954	96¼	97
St. Maurice Power 6½% 1953	107⅜	108¼
Jam. Pub. Service 6½% 1943	102¾	103½
Span. River P. 8% 1941	107	..

BOND MOVEMENTS OF THE WEEK

Week Ending September 28

Bonds—	Int. Rate	Due	Yield	Range, 1925 High	Range, 1925 Low	Range, 1926 High	Range, 1926 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos G. M.	6	1956	7.25	..	..	85	81¾	84½	84	84¾	84¼
Can. Cottons	5	1940	5.35	96	91½	97¾	95	..	97¼	96⅝	..
Ced. Rapids	5	1953	5.03	99⅛	97	101½	98¼	100	..	99⅝	..
Dom. Iron	5	1929	...	94	86	92	70½	..	71½	71½	..
Montreal Trams. "A"	5	1955	5.42	98	92¼	95	92⅛	93	92⅝	93¾	93½
Do. 1st mtge.	5	1941	5.22	98	94⅞	98½	97	97⅞	97¼	97¾	97
Ogilvie "A"	6	1932	5.31	106	104	103½	103½	104	..	103½	..
Quebec City	5	1939	5.54	98	89¾	95	91⅞	95	94½	95	93¾
Wayagamack	6	1951	6.00	98¾	84¼	100¼	91¾	100	..	100	..
War Loan	5	1931	4.75	102.65	101.00	102.40	100.35	101.20	100.80	100.90	100.60
Do.	5	1937	4.60	104.95	103.80	104.65	103.20	103.75	103.40	103.20	....
Victory Loan	5½	1927	4.85	103.15	101.70	101.75	100.15	100.85	100.50	100.50	100.35
Do.	5½	1933	4.80	107.00	105.10	106.80	103.65	104.60	104.40	104.45	104.10
Do.	5½	1934	5.00	104.80	103.20	104.10	102.70	103.15	103.00	103.20	103.00
Do.	5½	1937	4.65	110.00	108.15	109.30	106.95	107.45	107.10	107.25	107.00
Do., Renewal	5½	1927	4.90	103.15	101.70	101.75	100.00	100.65	100.30	100.30	100.15
Do.	5½	1932	5.03	104.20	102.60	103.40	102.00	102.65	102.30	102.25	102.00
Do., Refund	5	1928	4.90	100.45	100.15	101.30	99.00	100.45	100.10	100.50	100.35
Do.	4½	1940	4.85	97.25	92.00	96.70	95.60	96.45	96.10	96.35	96.00
Do.	5	1943	4.87	102.95	100.15	102.20	101.15	101.65	101.40	101.50	101.25
Do.	4½	1944	4.80	97.65	96.20	97.15	95.80	96.40	96.10	96.40	96.00
Do.	4½	1946	4.80	..	....	96.50	95.65	96.10	96.05	96.45	95.65

WEEKLY RECORD OF CANADIAN FINANCING

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Drummondville, Que.	Sept.	Credit Anglo-Francais	5%	1927-56	$107,500	98.37	...
Grimsby, Ont.	Sept.	Royal Securities Corp.	5½%	15-ins.	19,000	102.03	5.20
Farnham, Que.	Sept.	Municipal Debenture Corp.	5%	Serial	200,000	99.30	...
Hamilton, Ont.	Sept.	Dominion Securities Corp.	5%	20-ins.	686,181	100.77	4.99
Moose Jaw	Sept.	Bank of Commerce	5%	15-yr.	185,000	96.46	5.36
Halifax	Sept.	Royal Securities Corp.	5%	15 & 30-yr.	42,500	99.73	...
Halifax	Sept.	W. F. Mahon & Co.	5%	5-ins.	1,500	99.07	5.20
Eastview, Ont.	Sept.	C. H. Burgess & Co.	5½%	15-yr.	20,700	101.28	5.37
North Vancouver	Sept.	Fry, Mills, Spence & Co. and Gillespie, Hart & Todd	5%	20-yr.	194,100	96.57	5.28
Cambano, Que.	Sept.	Bray, Caron & Dube	5%	....	13,200	97.62	...
Thetford Mines, Que.	Sept.	Bray, Caron & Dube	5%	15 & 20-yr.	111,700	97.71	5.19

OFFERINGS OF CORPORATION AND FOREIGN SECURITIES

Bond Issues	Date issued	Offered by	Rate	Due	Amount	Price	Yield
Granite Club, Ltd.	Sept.	McLeod, Young, Weir & Co.	6½%	15-yr.	275,000	99.00	...
Canadian Theatre Co. (Princess Theatre, Montreal)	Sept.	W. A. Mackenzie Co.	6½%	1941	400,000	Par	6½%

St. George Apartments
First (closed) Mortgage 7% 20-year Sinking Fund
Gold Bonds
A Safe and Sound Investment
The bonds represent only 59% of the property's value, and are secured by 1st Mortgage on the land and building. Rentals, at conservative estimate, will yield twice amount of bond interest. Managed by one of Toronto's largest realtors.
Send for further particulars.
Gairdner & Co. Limited
312 BAY ST., TORONTO 2, ONT.

7% United First Mortgage Bonds
are now being offered by us upon such properties as:
Large modern store and office building in Toronto.
Large modern apartment building in Windsor.
Group of modern handsome terraces in Windsor.
Individual, moderate-priced homes, in the Border Cities.
All of these are income-bearing properties, each having a bona fide value of nearly twice the amount of the bond issue it secures.
They offer you a satisfying diversity of investment, safeguarded by an equally satisfying likeness and permanence of security.
Write us for full particulars.
UNITED BOND COMPANY LTD.
297 Bay St. Phone Elgin 5079 Toronto, Ont.
4 Imperial Bank Bldg. Windsor, Ont.

BONDS Wanted
Offerings of Government or Municipal Bonds in lots of $5,000 maturing on or before 1 December, 1927.
H. B. ROBINSON & Co. Limited
Investment Bankers
53 King St. West TORONTO ELGIN 1224
136 St. James Street MONTREAL MAIN 8542

WILLIAMS, PARTRIDGE & HODGSON LIMITED
Investment Bankers
171 St. James St. MONTREAL

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We are active in all foreign issues. Ask for quotations.
Have your name placed on our mailing lists.
EUROPEAN DEBENTURE CORPORATION, LTD.
120 St. James Street, Montreal

We deal in—
United Securities 6% Preferred Shares.
C.P.R. 4½'s....1944
Bell Telephone 5's....1955
Belgo Paper 6's....1943
Belgo Paper 7% Preferred Shares.
Quebec Power Co. 6's..1953
Quebec Railway 5's...1939
St. Maurice Power 6½'s 1953
Wayagamack 6½'s....1930
Wayagamack 6's....1951
Montreal Tramways 5's 1941
Montreal Tramways 5's 1955
Montreal Public Service 5's....1942
Windsor Hotel 6½'s..1943
Laurentide Power 5½'s.1946
Duke-Price Power 6's..1966
Manitoba Power 5½'s..1951
Gatineau Power Co. 5's.1956
Gatineau Power Co. 6's.1941
Anticosti Corporation 6½'s....1941
Anticosti Corporation 7% Preferred Shares
Canada Steamship Lines 6's....1941
At all times we are prepared to submit satisfactory bids for the purchase, in odd lots, of Canadian Government, Municipal and high-grade Corporation Bonds.
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MONTREAL QUEBEC
Quebec Municipals and Industrials a Specialty

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Stocks, Bonds, Grain & Oil Leases
Carlile & Farr Ltd.
Private wire to all markets.
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F. M. Black & Co.
Financial Agents
805 Electric Railway Chambers
WINNIPEG, MAN.

NEW ISSUE
$400,000.00
Canadian Theatre Co., Limited
Montreal, Que.
(Owning and Operating Princess Theatre, Montreal)
6½% First (Closed) Mortgage Fifteen-Year Sinking Fund Gold Bonds
Bonds dated September 1st, 1926. Maturing September 1st, 1941.
Interest payable half-yearly and interest and principal payable in gold at the office of the Royal Bank of Canada, Toronto, Ont., and Montreal, Que.
Trustee: The Montreal Trust Company.
This issue of bonds constitutes a First Mortgage on the land and buildings on St. Catherine Street, Montreal, known as the Princess Theatre. The property is an exceedingly valuable one, easily accessible from all parts of the city, located in the uptown business district and adjacent to the principal departmental stores, hotels, etc.
The valuation of the land quoted was made by Ewing & Ewing, Realtors, of Montreal.
The depreciated value of the building was fixed by an investigation by The Anglin-Norcross Co., Limited.
The financial position of the Company and its earnings were investigated by Messrs. P. S. Ross & Sons, Accountants, of Montreal, Que.
VALUATION
Value of Land $365,000.00
Value of Building (depreciated as at date of valuation) 446,000.00
Total $811,000.00
EARNINGS
Net earnings of Company applicable to interest, averaged per annum for seven and a half years .... $ 67,500.00
SUMMARY
Bond issue closed at $400,000.00 represents less than 50% of value of property. Value of land alone is almost equivalent to amount of bond issue. Net earnings applicable to interest more than 2¼ times bond interest requirements.
Legal Opinion: Messrs. Brown, Montgomery & McMichael, Montreal, for Canadian Theatre Co., Ltd. Messrs. Long & Daly, Toronto, for W. A. Mackenzie & Co., Limited.
Price: 100 and accrued interest, yielding 6½%
RECOMMENDATION
We offer the foregoing securities if, as and when issued and delivered to us as a sound First Mortgage Real Estate Bond and a safe and desirable investment.
Write for Special Circular
W. A. Mackenzie & Co., Limited
Investment Bankers
217 Bay Street TORONTO, CANADA

NATIONAL CAR CO. AGAIN FORCED TO DRAW ON SURPLUS

Had Better Year, But Railroads Still Buying Little

Turning a deficit of $46,337 for the year into a profit of $151,102 for the year ending 1926, the National Steel Car Corporation showed an improvement of nearly $200,000. However, making provision for a special write-off of $45,478 to cover loss "due to disposal of motor trucks, etc," following the payment of bond interest and allowances for depreciation, had the effect of reducing the surplus to the extent of $30,979, as indicated in the following summary:

	1926	1925	1924
Profit	$151,102	x$46,337	$608,815
Deprec'n.	55,003	67,098	95,379
Bond interest ..	81,600	84,100	99,429
Other interest .	......	......	55,624
†Spcl. loss	45,478	......	......
	x30,979	x197,535	358,381
Bal. forward ..	2,198,716	2,396,251	2,395,937
	$2,167,737	$2,198,716	$2,754,318
Prov. for inventories ..	......	......	358,068
Surplus	$2,167,737	$2,198,716	$2,396,250

xLoss.
†Loss due to disposal of used motor trucks.

Commenting on the company's position, President R. J. Major says:

"It will be seen that the current assets and current liabilities are very much greater than shown in the last statement. This is due to the fact that your works at June 30, 1925, were practically in a closed down condition caused by lack of orders, whereas at the end of June, 1926, the plant was at its height of production on the business secured from the railroads during the first quarter of this calendar year.

"Your directors have again to report that although railway car orders received and produced show a distinct improvement over the previous fiscal period, nevertheless they represent but a small percentage of the capacity of your works.

"The equipment produced this year was made up of the same types as those produced last year, namely, passenger cars and other miscellaneous equipment of highly technical design, the only difference being that there was about twice as much of it, and because of this extra production your directors are able to submit the attached statement, which shows substantial improvement.

"As very little freight equipment has been ordered by the railroads during the past few years, it is sincerely hoped that orders to keep your works operating will be forthcoming in the near future."

Marked changes were shown in the balance sheet, with respect to the working account, although net working capital was up only $15,123. Current assets were increased from $1,914,813 to $2,829,264, while current liabilities increased from $122,705 to $1,022,033. Heavy inventories on the one side, which amounted to $1,141,636 and accounts payable of $658,173 accounted for these changes. The company's bonds outstanding amounted to $1,360,000 and reserves for depreciation to $1,021,790, while capital and surplus was placed at $2,167,737. Lands, buildings, equipment, etc., were placed at $3,296,988. A claim against the French Government stands in the balance sheet at $263,477, unchanged from the year before.

Pressed Metals Plan of Reorganization is Delayed

The general meeting of the shareholders of Pressed Metals Co. of Canada to ratify the proposed plan of reorganization has been postponed until October 5. Delay was due to the absence of one large holder of preferred stock who controls the bulk of the senior issue. Majority interests in both classes of securities must ratify the plan before any further headway can be made. The original meeting was called for the first week in September, but through technical causes it was postponed until last week. The proposal is to create a new American company to be called Pressed Metals of America, to handle American business now carried on by the American Bushings Corporation, a subsidiary of the Canadian company. In addition the plan aims to compensate holders of preferred stocks, in reference to dividend arrears, by giving them a new preferred stock which will carry a 50 per cent. bonus.

Canadian Car Should Show Marked Improvement

MONTREAL.—If the results of the fiscal year of the National Steel Car Corporation may be taken as a criterion, says Financial Counsel, then the business of Canadian Car & Foundry must also reflect much improved conditions in the railway equipment industry of Canada. Back as far as March 25, this year, estimated business of the company to that time was reported at $9,000,000. Since then another $1,000,000 and $2,000,000 could easily have been added. It is said that the preferred dividend this year has been earned, while the outlook for the 1926-27 fiscal period is regarded as bright, and promising a further increase in business and earnings. The preferred stock has recently come in for considerable attention, while the common, also, around 42, has been in attention.

Car preferred sold into new high ground again this week at 87 (ex-dividend). During the past three weeks there appears to have been quiet accumulation of this stock, upwards of eleven thousand shares having changed hands, with a consequent advance in the price from 85 to 87 (ex-dividend).

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CALGARY VANCOUVER

Insurance for Buyer and Seller

WOULD CANCEL AGENT'S LICENSE FOR REBATING

One of Nine Practices Condemned by Life Officers

Principles which provinces should follow in licensing life insurance agents were discussed by C. S. Macdonald, general manager, Confederation Life Association, at the conference of insurance superintendents of Canada, at Victoria.

Mr. Macdonald was expressing the views of the Canadian Life Insurance Officers Association. He declared:

"There would not appear to be any more necessity for registration of insurance salesmen than for bond salesmen, stock salesmen, or the many other salesmen who are going from door to door. The goods which are sold by the life insurance salesmen are controlled by the insurance department, and each individual purchaser of a life insurance policy obtains full value for the money he spends. This cannot be said for most other businesses. The outstanding reasons for the registration of agents is to improve the quality of the men engaged in the business; to endeavor to prevent agents rebating, and to endeavor to prevent twisting. It has been stated that the main value of the registration system lies in the following-up of complaints and the maintenance of a list of suitable persons, so that certificate of registration shall not be granted to these, who have in the past failed to live up to their obligations as agents or brokers.

"In other words, unless registration benefits the general public, no use of the sovereign power of the legislature should be made to further merely the private ends, either of the companies or their employees."

He felt that the acts for which licenses might be refused or revoked were:

Twisting, i.e., the inducing or the intending to induce a policyholder of any company to lapse, forfeit, or surrender, his insurance therein and to take out a policy of insurance in any other company.

Rebating, i.e., the allowing or giving or offering to pay, allow, or give directly or indirectly, as inducement to insure, any rebate of premium payable on the policy, or any inducement whatever, intended to be in the nature of a rebate of premium.

Any false, misleading, or deceptive statements made in the soliciting of insurance.

Any dishonest concealment of material facts, willfully or fraudulently, for the purpose of selling insurance.

Conviction for any felony, misdemeanour, or fraud, in or out of Canada.

Dishonesty in connection with any previous business.

Payment of any commission by a registered agent to a non-registered party.

Any intentional infringement of the provincial or Dominion Insurance Acts.

Where a certificate of registration as an agent of another company is already held by any member, partner or employee of the corporation or partnership, in which the applicant for the certificate is a member or an employee, providing that the chief business of such a corporation or partnership is that of selling insurance in any of its aspects.

Canada Life Now Writing Business in New York

The fact that New York State has just issued a license which permits the Canada Life Assurance Co. to write business in that state, brings to mind an incident in the life of Hugh C. Baker, who was the first president of the company. The Canada Life was founded in 1847, and, in that year, Mr. Baker, the founder, traveled nearly a thousand miles to New York in order to get his life insured. The trip was made chiefly by horseback and stage-coach, and when Mr. Baker arrived it was with a British company that he did business. It was not until later in that same year that two or three American companies entered the field. Since that day there has been much life insurance purchased by Americans and Canadians in companies on both sides of the line, and the Canada Life has been one of the pioneers in establishing goodwill between the two countries. In the last 37 years, branches of the company have been established in no less than 20 leading cities throughout the United States, and full reserves are on deposit in Detroit to cover its total business in the United States.

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North American Life Business Climbs 14%

During the first eight months of the year, North American Life Co. showed an increase in business in force of 14 per cent., which is well above the average increase of all companies. The last three or four months have been record breakers, more business being written than in any previous three months in the history of the company. The percentage increase for the past three months has been more than 20 per cent. over the corresponding three months of last year.

The increase of business has been accompanied by a corresponding increase in the number of large producers, there being 61 who made the Production Club this year, as compared with 50 of last year.

The total assets of the company now amount to more than $30,000,000.

Insurance in France Keeps People on Land

The idea of using insurance as a method of keeping people on the land is being worked out in a unique way in France, where there has been general desertion of village and farm life. The problem in France is not exactly similar to that faced in Canada, but there will be interest here in the French scheme in view of the interest in any plan to keep the people interested in agriculture. M. Ambroise Rendu, member of the Paris municipal council, speaking in the name of the committee of the Back to Farm Movement, according to advices received by the Bankers Trust Company, of New York, from its French information service, stated that the most efficient remedy for high cost of living is to increase production, and this can only be done by preventing village people from emigrating to cities. The main thing is to prevent the exodus of girls, as they do not return to the farm after they have tasted town life. To achieve this, M. Rendu suggests that every girl born in a village should have an insurance taken in her name at the time of her birth, securing a small capital of 10,000 francs—at her coming of age—this capital to be invested in the purchase of a farm, which would enable her to marry and found a home in the country. Of the 350,000 girls born in France every year, about 26 per cent. die before they are 21, and of the remaining 233,000 only about 120,000 live in the country. This would mean 1,200 million francs to provide for the suggested insurances, which would be paid by the state, the community, and the child's family.

Automobile & Accident Co. Offers Stock to Public

From Our Own Correspondent.

MONTREAL.—The Automobile and Accident Insurance Company of Waterloo is making a public offering of 6,000 shares of stock at $110 per share; of this, $20 pr share only will be paid up, but, of course, further calls may be made to the shareholders at the option of the directors. The Automobile and Accident Insurance Company of Waterloo is a new company recently formed to transact a casualty business, principally confined to automobile and personal accident insurance. The authorized capital is $2,000,000, which is divided into 20,000 shares of $100 par value.

The company has been formed by David McIntosh, who formerly was associated with the Merchants' Casualty, and at one time with the Eagle Star and British Dominion Company in Toronto.

In the present stock offering, $10 per share will go to capital account and $10 to premium; thus, the company will begin operations with a paid-up capital of $60,000. Some of the surplus will be utilized by expenses necessary to the formation of the company. The proposed directors of the new company are William D. Euler, Hon. James Malcolm, Senator J. P. Rankin, Edwin W. Clement, and David McIntosh. Other directors will be added after the company receives its incorporation papers, for which application has been made to the provincial government. It is understood that Mr. McIntosh will assume the management after the company's incorporation.

Statistics regarding the cause of fires show that we are among the most careless people on earth. We toil unceasingly to acquire comfortable and attractive homes, and yet two out of every three fires that occur are in the homes of the people; and worse still is the amazing fact that eight out of every ten of all the fires that occur are preventable.

WOULD DECLARE UNDERWRITERS' AGENCY ILLEGAL

Provincial Superintendents Would Make Them Incorporate

An attack on underwriters' agencies was made at the insurance superintendents' conference, by J. P. Dougherty of B.C. He said:

"In the first place, to my mind, an underwriters' agency is of little value, other than to give the parent company a duplicity of agents. The security offered is no better than that offered by the parent company. By this statement your committee does not wish to convey the impression that the parent companies of these underwriters' agencies are not financially strong enough to meet the obligations which the double liability imposes upon them.

"If your committee's memory serves him right, the first underwriters' agency was that of the New York Underwriters, which within the last year has been incorporated as a company and licensed to transact business throughout the United States and Canada. As time went on other companies organized underwriters' agencies in order to provide an outlet for their surplus lines, until at the present time there are licensed in the province of British Columbia twenty-two underwriters' agencies, and, to be quite candid, your committee fails to see any necessity for their existence.

"According to the Insurance Act of the Dominion, a Canadian company cannot be incorporated where the majority of the stock is held in an alien country, which has caused some companies to organize underwriters' agencies. In view of the fact that this obstacle has now been removed by the enactment of legislation in the various provinces wherein reciprocal deposits are now recognized, your committee would suggest to the parent companies of these underwriters' agencies to incorporate them under provincial authority, as only one deposit is now required, and that in the province in which they are incorporated for the protection of the policy holders in the other provinces in which they may be licensed to transact business.

"Were these underwriters' agencies eliminated, and new companies organized, it no doubt would mean the placing of additional stock upon the market, but it would also mean the segregating of capital and reserve, which, to my mind, is in the interest of the insuring public.

"Your committee, therefore, trusts this matter will not be allowed to hang fire longer than is necessary, and it will be only a matter of a brief space of time when the several provincial legislatures will enact legislation to prohibit the licensing of underwriters' agencies."

Insurance premiums will always increase with heavy fire losses, and will be reduced when the losses are reduced, so that the net result to the insurance companies will, in the long run, be about the same. In the countries where the fire losses are small the insurance rates are very low, and where the fire losses are heavy the rates are high and must necessarily be so.

More than four times as many people are burned to death every year in Canada as are killed on steam or electric railroads.

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Full details of the many features of our broad, comprehensive service will be furnished interested Manufacturers and Jobbers
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HAPPINESS
That priceless possession—an easy mind—is the immediate reward of insuring the happiness of your dependents against the day when you can no longer help them with your living presence.
Protection with Profit
Great-West Life Assurance Company
134

Current Events in Banking World

ANALYZING COST OF THE AVERAGE CHEQUE ACCOUNT

Some Points of Interest in Deciding Where to Make Charge

By A. B. BARKER.

American banks, both city and country, are rapidly instituting methods of analysis to decide the value of checking accounts in their books, and insisting that all such accounts shall either maintain a balance in collected funds sufficient to give the bank a profit, or, failing this, making a charge for the service. Some of the systems are most elaborate, and require the services of a separate department in the bank. This is in the large city institutions. In the country banks the method favored is to find roughly the per item cost of operating an account and make the charge accordingly.

Some estimate the cost of operation at 3 cents per item deposited, and the same on all cheques charged, so that if the analysis shows that the customer has deposited 100 cheques during the month, and that 50 have been charged to his account during the same period, the cost would be placed at $4.50. Unless his average balance in collected funds, after allowing for the cash reserve derived by the National or State banking law, were sufficient to allow the bank a return at 4½ or 5 per cent. to equal this, the difference would be charged to the customer. In some of the country banks the cost is based on the number of cheques charged at 5 cents per item, and roughly, this works out that the customer must carry a credit balance of $1 for every cheque issued. An account showing say 200 cheques during the year, less than 20 per month, would require an average credit balance of $100.

In American banking periodicals almost every number contains some reference to the effect of the establishment of a rule of this kind, and a comparison with conditions existing prior to the rule. In many places the numbers of small charging accounts carrying small balances were the problem. The banks had for years been educating the public to use cheques instead of cash, and competition for custom had done the rest. A recent article states that, when the figures for one section had been obtained from the banks there, it was found that some 60 per cent. of the chequing accounts were carrying an average balance of from $1 to $100, and on these the banks were really doing the work at a loss, the loss being made up from the larger balances carried by inactive accounts. When urged to make a service charge on these small accounts, some banks hesitated, fearing a loss of business, and in some cases one or two banks went ahead alone. These reported that the only accounts they lost were those they wanted to get rid of, and some said that their books showed a decided increase. One banker in an address on the subject stated that this had been his experience, and put it down to the fact that the public seemed to think that a bank, which felt itself strong enough to refuse accounts which did not yield a profit, was a good institution to deal with.

The problem in Canada is similar in many respects, and it is well known that many offices are carrying chequing accounts, the credit balances in which are trivial, and in which there is no profit, if indeed, they are not an actual expense. The custom of allowing cheques to be issued against savings accounts in many cases practically makes these accounts no more nor less than small current accounts. In point of cost of operation, it is generally held that it costs more per item to handle a savings account than a current account, and the branch manager with a big turnover in his savings business would do well to study his costs of operation. Some managers when they find a depositor issuing many cheques against his savings accounts without an adequate balance, or issuing cheques before making provision for them, notify him that the account must carry a sufficient credit balance, or be closed, preferring to see some other fellow take that class of business, and let him have accounts which yield a reasonable return.

Many offices cater to women who like to pay their house accounts by cheque, but it is doubtful whether they get more than advertising out of that class of business, as household allowances are usually only deposited in time to meet the cheques issued to pay store accounts, and cannot therefore, remain long on deposit. The convenience to the customers is very great, and there are few who would not be willing to pay for the privilege of being able to issue cheques. Not long ago several ladies were discussing the matter of interest and the balances in their bank accounts, and one, whose husband was in the profession, remarked that some day the banks would charge for keeping their books for them. The general opinion was why not?

Weekly Bank Clearings

(In comparison with the same week last year)

EASTERN CITIES

	Sept. 24/25	Sept. 23/26
Halifax	$3,923,024	$2,614,739
St. John	2,454,425	2,619,158
Moncton	770,937	809,919
Sherbrooke	875,018	842,643
Quebec	5,223,235	5,390,451
Montreal	87,580,133	99,710,786
Ottawa	5,662,786	6,037,205
Kingston	747,734	1,555,633
Peterboro	699,555	722,578
Toronto	90,366,140	99,298,958
Hamilton	4,976,261	5,978,025
Brantford	957,630	995,460
London	2,614,481	2,654,687
Kitchener	927,445	981,185
Windsor	3,493,193	4,980,211

WESTERN CITIES

	Sept. 24/25	Sept. 23/26
Ft. William	$1,073,419	$1,049,593
Winnipeg	65,472,853	51,479,799
Brandon	649,391	622,009
Regina	6,177,671	5,301,206
Moose Jaw	1,207,581	1,343,926
Saskatoon	1,793,049	2,107,339
Prince Albert	275,260	388,922
Lethbridge	524,270	463,173
Med. Hat	334,588	313,186
Calgary	5,693,465	5,181,819
Edmonton	4,324,698	4,650,063
Vancouver	7,379,349	17,761,283
N. Westminster	733,048	766,127
Victoria	2,048,680	1,979,126

A SPECIAL COURSE FOR LOAN INSPECTORS

EDMONTON.—The University of Saskatchewan, which for the past two years has been conducting special courses for field men for lending institutions, is to receive a grant of $1,000 from the Dominion Mortgage and Investments Association, in recognition of the value of this work to financial institutions.

A resolution to this effect, moved by E. M. Saunders and seconded by C. S. Macdonald, received the hearty endorsation of the association, and the action of the association given appreciation on behalf of the university by Professor Swanson, of the economics department of that institution.

President Smith of the association stated that it was understood that the western universities had agreed to institute various special courses, which would not overlap. The course for mortgage field men would be given at the Saskatchewan university, for the three prairie provinces.

Staff Gossip

Alvin Shultz has been transferred from the local branch of the Bank of Commerce to that in Barrie.—Bulletin, Collingwood.

* * *

Douglas McFarlane, of the Bank of Commerce staff, has left for Vermilion, to which point he has been transferred. He is succeeded here by "Hamish" MacPherson, a new recruit to the banking service.—Record, Peace River.

* * *

R. E. Davis, who has been very well liked in his capacity as teller in the Bank of Commerce here for the past year, has been transferred to the Windsor branch. Jas. Woodcroft has been promoted in charge of the cash.—News-Tribune, Blenheim.

* * *

The announcement has been made of an important change affecting the staff of the local branch of the Canadian Bank of Commerce. The dual management which has existed since the absorption of the Bank of Hamilton has been dissolved by the transfer of F. J. Stewart to the management of the branch of the Commerce at Delia. L. A. Wright will remain at Vulcan. Mr. Stewart will go at once to his new appointment.—Advocate, Vulcan.

* * *

Hedley Hill, for several years assistant manager of the Canadian Bank of Commerce in Calgary, has been promoted to the position of manager of the Canadian Bank of Commerce at Portland, Oregon. He will relieve E. B. Ireland, manager of that branch, who will leave in the near future for a six months' tour of the world. Local officials are not in a position to state whether or not Mr. Hill will return to Calgary at the end of the six-month period. He will be succeeded here by J. R. Cromarty.

During his years of service in Calgary, Mr. Hill has established a wide circle of friends. He has been actively associated with the executive of the Canadian Club, and is a member of the Ranchmen's and Golf and Country Clubs.—Herald, Calgary.

Bank of Montreal Has Attractive Features

MONTREAL. — The stock exchange house of McCuaig Brothers & Co. has issued a very comprehensive review of the Bank of Montreal which reveals at a glance the changes in the institution's various vital figures over the past 25 years. The bulletin reviews the progress of the bank since its inception and says in part:

"In 1900 the capital of the bank stood at $12,000,000, and its reserve at $7,000,000. At the end of last year the capital and reserve had each increased to $29,916,700, representing an increase in one case of 250 per cent. and in the other of 427 per cent. While premiums on new stock and adjustment of capital and surplus assets of the Merchants and Molsons Banks when taken over were responsible for $15,957,000 of the growth in rest account, the remaining $6,959,000 was contributed from surplus earnings. In the same twenty-five year period net earnings increased from $1,524,000 to $4,605,000, a growth of 300 per cent., or at a somewhat more rapid rate than the paid up capital of the bank. On the other hand, in the same space of time its total assets rose from $78,852,000 to $755,000,000 representing a growth of no less than 957 per cent. and the number of branches increased from 52 to 616.

"While at first sight it may seem surprising that the profits have not increased in the same ratio as the bank's assets, the remarkable uniformity in the percentage of the bank's earnings would indicate that something has been put away for a rainy day and this doubtless is the case. Also during the period in question Canadian banks expanded at a very rapid rate, and the large increase in the number of branch establishments resulted at many points in duplication of facilities, which meant higher overhead without corresponding revenue.

"Within the last few years, however, a large number of the smaller banks have been absorbed by the larger ones, and this development is likely from now on to have a very beneficial effect on the earnings of the remaining banks, and particularly the larger ones, as the closing down of a number of unnecessary branches and the concentration of operations at a smaller number, cannot help but result in important economies in operating costs. Apart from this, it is generally admitted that present prospects warrant the expectation of a period of more prosperous conditions in this country than has prevailed since the war.

BANKERS FAVOR BUYING ON TIME

Instalment Purchasing Cited as Promoter of Prosperity and Trade Booster

NEW YORK.—Instalment buying is helping to promote prosperity, and, with reasonable development, will produce higher standards of living, expand trade, and will make a permanent contribution to our economic prosperity, according to the Investment Review, published by Dillon, Read and Company.

The undoubted popularity of the plan can be proved according to this viewpoint, the bankers say, by the fact that three-fourths of the sales of automobiles, radio sets, sewing machines, phonographs, and furniture, in 1925, were reported to have been on the instalment plan. The total volume of sales on this plan in 1925 is estimated to have been between $3,500,000,000 and $5,000,000,000.

In answer to critics of instalment buying who argue that this system prevents savings, increases the desire for luxuries, and creates a precarious economic situation should wages decline, the Review points out that companies employing this method have found it enormously profitable. Students of the plan report that losses by default of payment so far have been negligible. It is the opinion of the author of the article in the Review that instalment buying, through the distribution of many useful and cultural commodities, has increased the standard of living of the American wage earner in a soundly beneficial manner.

DOMINION BANK

The Dominion Bank announce the following staff appointment: P. V. Huffman has been appointed assistant manager at London, England, branch.

CANADA SHOULD SELECT IMMIGRANTS FROM RACES THAT WILL ASSIMILATE

(Continued from page 10)

most part engaged in our greatest industry, viz., agriculture.

3. Despite our need we should prefer quality to quantity.

4. We cannot satisfy our need from the British Isles.

5: The best scientific opinion insists that neither education nor environment can fundamentally alter racial characteristics.

If for the sake of my arguments we agree upon the above—what should we do to accomplish the end sought?

We should forthwith initiate and continue an active campaign for immigrants throughout Northwestern Europe. This will mean the establishment of numerous Canadian agencies and much persistent work in that corner of the globe. There are least two objections to this course. In the first place, is it open to doubt whether the countries in question will welcome—even if they permit—any large exodus of their nationality. It seems clear, however, by approaching the question in a diplomatic manner no serious obstacle will be put in the way of a man or his family who may desire to settle in Canada. One notes with pleasure a late item in the press intimating that arrangements have already been made with Norway to encourage immigration from that country to our own.

Expense Need Not Worry

The second objection is based upon the added expense which such a campaign must entail. One of our ministers of immigration, I remember, feared his estimates would thus be increased by from two to three hundred thousand dollars. Even granting so large a sum were necessary, it appeals to me as a thoroughly sound investment and one which would return handsome dividends to the country.

The whole question, gentlemen, is one in which the immediate interests of living Canadians should be subordinated to the welfare of future generations. I grant you that a large and speedy influx of immigrants from almost any source would benefit our transportation companies and our dealers in real estate. It is even possible that newcomers, were employment found for them, might materially improve business throughout the country, and it is improbable any person to-day would live long enough to realize the baneful results of so indiscriminate a flood.

But as has been well said, "the best evidence of a high civilization is the power to build more firmly for the future."

We should stand firm for the selection of immigrants from those countries whose racial characteristics will permit of their assimilation and final amalgamation with our own people.

IMPERIAL BANK

The Pine Ridge branch, Red Lake district, of the Imperial Bank has been closed and the business transferred to Sioux Lookout branch.

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Saskatchewan Farmer
(Semi-monthly)
REGINA

Eastern Office: A. E. FORD,
1105 Bank of Hamilton Building, Toronto

FOREIGN EXCHANGES

Foreign Currencies In Strong Demand

Conducted by S. J. ZACKS.

Marked strength and heavy buying of European currencies constituted a feature of the exchanges during the week. Interest was very keen in Italian, French and Belgian, all three moving up in spectacular fashion and closing several points above the close of the previous week. Sterling was weak, cotton bill pressure forcing it to lower levels. The brisk rally in Italian lire was brought about largely by government buying, and repurchases for "shorts" for the account of Sept. 30 commitments. Chinese currencies have reached new lows, as result of drastic declines in silver prices. Strangely enough yen also tumbled, closing much lower.

The outlook of the British coal strike situation has not improved. The government admits that it is at the end of the rope as a mediator, the coal owners refusing to enter upon a three party conference. In the meantime cotton bills continue to make Sterling heavy. The British steel industry shows no betterment. August imports of iron and steel products in the United Kingdom are 16.3 per cent. greater than those of July, while exports are 30.4 per cent. less.

Premier Poincare's statement on war debts, addressing the general council of the Department of Meuse, intimated that France would pay her debts according to her capacity, that she would continue her sacrifices and policy or retrenchment, and that she would not mortgage her industries to foreign bankers. In view of the fact that the matter of debt settlement will be before Parliament shortly, many regard Poincare's statement on debt settlement as favorable.

Heavy buying in Italian lire is said to be based on an announcement of further deflation in Italian circulation. It is thought that considerable headway has been made on the drastic deflation programme designed to reduce circulation of paper money by 5,000,000,000 lire. It appears that the Italian Government has exchange matters so well at hand that to remain short for any length of time is very dangerous. The recent transfer by the Italian Government of $90,000,000 of the Morgan loan for the purpose of repaying 2,500,000,000 of its debt to the bank, has resulted in the reduction of circulation on account of State on Sept. 1 to 4,229,500,000 against 6,729,500,000 July 3, and banks reserves rose 2,400,000,000 lire gold.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Sept. 23	9-64	5-32	Par	1-64
Sept. 24	9-64	9-64	x1-64	Par
Sept. 25	9-64	9-64	x1-64	Par
Sept. 27	5-32	11-64	Par	Par
Sept. 28	5-32	11-64	Par	Par
Sept. 29	9-64	11-64	Par	1-64

xPremium.

STERLING, FRANCS AND LIRE

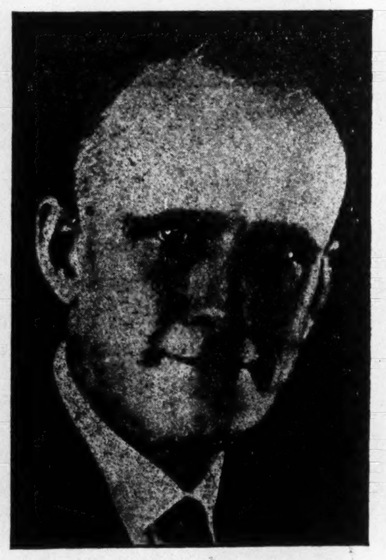
	Sterling close	Francs close	Lire close
Sept. 23	4.85⅛	2.76¼	3.67¾
Sept. 24	4.84 15/16	2.77¾	3.68¼
Sept. 25	4.84 15/16	2.76½	3.69¼
Sept. 27	4.84 13/16	2.77¾	3.78¼
Sept. 28	4.84⅞	2.79¾	3.81¼
Sept. 29	4.84⅞	2.82½	3.77

FOREIGN EXCHANGE

Par		Sept. 22	Sept. 29
19.30	Italian	3.69½	3.77
32.45	Brazil	15.19	15.00
23.82	German	23.81½	23.81
19.30	Belgium	2.63¼	2.72
84.85	Japan	48.65	48.52

New President of the Credit Men's Association

W. R. Bottom, newly-elected president of the Canadian Credit Men's Trust Association, is vice-president of Revillon Wholesale, Ltd., Edmonton, and is one of the earliest members of the association.



He has occupied all of the positions in the local division. Mr. Bottom has grown to be one of the big business men of Edmonton and his known ability and energy should prove a tower of strength during his term of office.

THE NATION'S BUSINESS

(Continued from page 1)

will, as usual, be very busy in the background and urge empire defence and big contributions from the overseas dominions therefor, before all other problems. The presence of Dunning and Malcolm, of whose sound Imperialism there is no question, will prevent the over-emphasizing of this and the side-stepping of inter-empire trade—which, after all, is the only sound basis upon which the empire can be built up and maintained.

Even if there are no formal results, the presence of the representatives of the agricultural and manufacturing interests will be necessary and invaluable experience for them and will have a real moral influence on this and future conferences. As we pointed out some months ago, the presence of a couple of men of this type will be worth a whole army of theorists, professors of impractical economics, idealists, and others of this type who have dominated previous conferences, men who talked much but never produced anything practical. On the other hand experience shows that a few practical common sense Dunning-Malcolms sitting round a table can quickly arrive at some working basis for improving and extending British Empire trade. This is what we need more.

We doubt if Mr. Robb could pass a primary examination in college economies, but he went alone to Australia and got through for Canada the most profitable trade arrangement in many years.

NORMAN JONES MAKES CHANGE

Norman S. Jones has retired from his position as Canadian manager of the North-Western Mutual Fire Insurance Co. and has announced his intention of joining his father in the business of Seneca Jones & Son, Hamilton. In this new association, Mr. Jones intends to make connections with several large companies.

Mission of Mortgage Men is Assured of Success

(Continued from page 1)

Mortgage association, emphasized the value of capital to the agricultural industry and then brought out the point that the money loaned by the various institutions did not belong to the officers who were merely trustees for millions of depositors or small capitalists. The loaning companies were glad of the opportunity to put their case frankly before the legislators and before the public. Hon. Mr. Hoadley and Provincial Treasurer, Hon. R. G. Reid, responded on behalf of the government, expressing a desire to treat with the situation in the best interests of all concerned.

The Borrower's Side

Then came the first shell out of the agricultural camp. H. E. Spencer, federal member for Battle River, opened the subject of rural credits with a warm endorsation of the federal plan which was put through the house at the last session, but not made law because of dissolution. He wondered why, if rural credits were such a failure, mortgage men should take the trouble to oppose them. Immigration and colonization, he declared, were absolutely bound up with rural credits, and the farmer was not demanding immigration because he realized, as did nobody else, that eight or nine per cent. farm loans and immigration policies, could never bring success.

It was ridiculous, he insisted, for financial men to charge the farm industry—one where the worker admittedly made the least money for the most time worked—eight per cent. interest, and the sooner they realized this, the better for Canada.

Bowman Makes Answer

C. M. Bowman, chairman of the Mutual Life Insurance Company, who has won a reputation for his practical efforts in the development of mixed farming methods in Western Canada, responded with the view that while the problems of the Western farmer deserved every consideration they were, after all, the same problems as those of the manufacturers of Eastern Canada—over-expansion, with too little care in husbanding resources and too little appreciation of the proper standards of management. Eastern manufacturers had been forced to take losses just as had the farmers of the West.

Comparing interest rates East and West he made the point that, considering the hazards, the basis in the West was quite as favorable as in the East. At the present time the Western borrower was facing lower rates whether rural credits came to pass or not, because the farmers had got their feet on solid ground and were meeting their problems on their own responsibility as never before. It was a practical demonstration that Providence helped those who helped themselves.

Frankly, Mr. Bowman told his hearers that 75 per cent. of the problems of the farmers were within their own control and the results were now showing the effects of better farming methods on smaller areas of land. He spoke for a policy of colonization which would increase the population of Western Canada by 30 per cent., not that more land might be brought under cultivation but that the areas now under cultivation might be properly farmed. Many farmers would make more money on a half or a quarter section than on a whole section.

As for rural credits, Mr. Bowman expressed the view that they were a foregone conclusion and his suggestion was that efforts should be directed to keeping them on a sound financial basis so that they would pay their way and be a help to agriculture without being a burden to the country.

Two Ends of the Rope

Pete Enzenauer, U.F.A., Alexandra, declared that the whole issue was whether a man's name was signed on a mortgage or whether it was printed there—the interests of borrower and lender were at different ends of the rope. In his opinion there was too big a range in the valuation of a man's assets and not enough laxity in interest rates. Also he submitted that if the borrower had to reduce his equity in a property by 50 per cent. the lender should be ready to do the same with regard to the mortgage.

At this stage it was considered that the big gathering was not only retarding progress but was detaining many guests not directly interested. An adjournment was made to a smaller room where members of the government and elected representatives, many Eastern officials and officers of the provincial association entered into a close-up discussion of the factors affecting the personal covenant, and hail insurance and other priorities standing ahead of the first mortgage.

The trend of the discussion indicated that the impairments of the personal covenant—a hang-over from war-time legislation—might now very well be removed to a large extent at least. As regards hail insurance, the point at issue seemed to be whether the companies would be satisfied with a compromise on the basis of one year's arrears charged against the property or whether they stood out for a total abolition of all impairment of the mortgagee's rights. Generally speaking, the companies, through Hume Cronyn, president Huron & Erie; W. G. Watson, general manager of the Toronto General Trusts; E. M. Saunders, of the Canada Life, and others, stood out for the restoration of the full rights of the mortgagee on principle, while not averse to accepting half a loaf as being better than none, for the time being.

CLEAN SOUND

Kennedy's specialize in castings supplied in all shapes, sizes and quantities. Made to your own patterns. Prompt delivery. Fair prices.

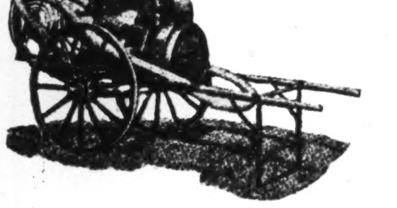
Kennedy Castings

The Wm. KENNEDY & Sons Limited
OWEN SOUND, ONTARIO.
Representatives at:
COBALT, TORONTO, MONTREAL, HALIFAX, WINNIPEG AND VANCOUVER.

"Lorne" Fire Apparatus

Be Prepared

to stop your share of the terrible waste by fire. Why take further chances? Prevention is the true economy. Write us to-day for full particulars. Lorne Fire Engines have been in use over twelve years, giving excellent and effective service.



The Lorne "Special" Fire Engine for Villages, etc.

The "Lorne" Fire Apparatus has been found by many towns and villages to be one of the best as proved by experience. They are giving complete satisfaction in many communities, being particularly adapted for the needs of smaller places.

Simple to Operate
Durable and Economical

They are easily operated, of rugged and simple construction, and well designed. They will control a large fire and will take water from any well, cistern, or convenient creek.

We have a complete line from the small village outfit to the city outfit at very reasonable prices. We have a special proposition for the villages, knowing their special difficulties and problems.

We have made it unnecessary for any village to be without "Lorne" Fire Protection at low cost. The first small fire usually costs more than the price of several outfits.

Lorne Tractors Limited
Manufacturers of Lorne Fire Apparatus
Dept. P. Ingersoll, Ontario, Canada

Can Sixty Per Cent. of Forest Fires be Eliminated Within Five Years?

FIRE! The Exiler!

The worst advertisement for the business sagacity of Canadians is the record of forest fires. The greatest menace to the business future of Canada is the annual pillage of the public-owned timber estate.

The public is absolute arbiter of the forest. Whether we shall sweep downhill to bankruptcy or make the forest redeem our war debt and put us on the high road to prosperity depends on the deliberate decision of the thousands of Canadians who, for work or play, enter the woods and leave a path of crimson flame behind them.

Fire is the one abomination of the woods. It is the killer of industry, the exiler of workmen. It lays low ten trees to the axeman's one. It destroys not alone the tree, but the soil, and postpones for half a century the ability of an area to grow more trees of the kind we want.

The question is answered by the united testimony of forest protection experts in all parts of Canada.

"It will be accomplished the moment you win the Public for forest protection. The Public alone can create a fireproof forest."

To organize the Canadian Public as Friends and Protectors of the Forest Estate is the mammoth objective of the Canadian Forestry Association.

It is a task necessarily entrusted to a non-government, non-commercial public body for the reason that the Public demands disinterested motives free from the flavor of party politics or the hope of selfish aggrandizement.

The Canadian Forestry Association, through organized education, is definitely winning over the Canadian Public to reduce the tragic losses of forest fires.

If you are interested in the forest from the standpoint of patriot, investor, recreation seeker, holder of pulp and paper or lumber company securities, or otherwise, give us the opportunity of sending you, free of charge, several interesting pieces of literature. Use this coupon or your own letterhead.

CANADIAN FORESTRY ASSOC.,
51 Sparks Street, Ottawa.
Send me without any obligation literature about Canada's forests and their protection.
Name ....
Address ....

BROMPTON PULP & PAPER COMPANY, LIMITED

Notice of Redemption of 20-Year Six Per Cent. (6%) General Mortgage Bonds of Brompton Pulp & Paper Company, Limited.

Notice is hereby given that all of the 20-Year Six Per Cent. (6%) General Mortgage Bonds of Brompton Pulp & Paper Company, Limited, (hereinafter called "the company") secured by Trust Deed of Hypothec, Mortgage and Pledge dated 26th February, 1919, in favour of Quebec Savings and Trust Company as Trustees will, upon presentation and surrender thereof at the office of the Quebec Savings and Trust Company, 120 St. James Street, Montreal, Canada, be redeemed and repaid by the Company on the 1st day of March, 1927, at par and interest accrued to the date fixed for redemption with a premium of Five per cent. (5%).

Bondholders may present their bonds for redemption at any time prior to the said 1st day of March, 1927, and all such Bonds will be redeemed and repaid by the Company at par, and interest accrued to the date of such presentation with a premium of Five per cent. (5%).

If any of the said Bonds shall not be presented for redemption and payment on or before the said 1st day of March, 1927, then the principal, premium and interest of such Bonds shall remain in the hands of the undersigned for the benefit of the party legally entitled thereto, and after that date the Company shall cease to be liable upon such Bonds, and the interest thereon shall no longer be payable by the Company.

The present Notice is given pursuant to the provisions of Article 12 of the said Trust Deed.

Montreal, 24th September, 1926.

QUEBEC SAVINGS AND TRUST COMPANY,
Trustee.

BROMPTON PULP & PAPER COMPANY, LIMITED

Notice of Redemption of 20-Year Convertible 8% Mortgage Bonds of Brompton Pulp & Paper Company, Limited.

Notice is hereby given that all of the 20-Year Convertible 8% Mortgage Bonds of Brompton Pulp & Paper Company, Limited, (hereinafter called "the Company") secured by Trust Deed of Hypothec Mortgage and Pledge dated 20th April, 1921, in favour of Quebec Savings and Trust Company as Trustee, will upon presentation and surrender thereof at the office of the Quebec Savings and Trust Company, 120 St. James Street, Montreal, Canada, be redeemed and repaid by the Company on the 1st day of May, 1927, at par and interest accrued to the date fixed for redemption with a premium of ten per cent. (10%).

At any time prior to the date so fixed for the redemption of the said Bonds, Bondholders may at their option convert their Bonds into Common Stock of the Company without nominal or par value on the basis of two (2) no par value Common Shares for each one hundred dollars ($100.00) par value of Bonds.

Bondholders may present their Bonds for redemption at any time prior to the said 1st day of May, 1927, and all such Bonds will be redeemed and repaid by the Company at par and interest accrued to the date of such presentation with a premium of Ten per cent. (10%).

If any of the said outstanding Bonds shall not be presented for redemption and payment on or before the said 1st of May, 1927, then the principal, premium and interest of such Bonds shall remain in the hands of the undersigned for the benefit of the party legally entitled thereto, and after that date, the Company shall cease to be liable upon such Bonds and the interest thereon shall no longer be payable by the Company.

The present Notice is given pursuant to the provisions of Article 12 of the said Trust Deed.

Montreal, 24th September, 1926.

QUEBEC SAVINGS AND TRUST COMPANY,
Trustee.

Findlay Forms Advertising Agency

Under the management of William Findlay, a new advertising agency is entering the field with headquarters at Toronto. The company will be known as the William Findlay Co., Ltd., and Arthur J. Francis, former secretary of the Canadian Association of Advertising Agencies, will be the secretary-treasurer of the new organization. Before entering the advertising field, Mr. Findlay was a joint owner and business manager of the Ottawa Free Press, and several years ago he came to Toronto as business manager of the Toronto Globe. Recently he has been a partner and director of the A. McKim Co., Ltd., being in charge of the Toronto office during the last four years. Donald A. Philp is a director of the new company.

POSITION WANTED

in Bond, Brokerage or Financial Office by former Bank Manager. Extensive banking and bank auditing experience. Box 286, FINANCIAL POST, Toronto.

A Canadian Executive

with 20 years' experience in modern American manufacturing plants offers his service at a reasonable salary. Specialty chiefly on industrial engineering plans.

Box 284, Financial Post, Toronto, Ont.

INTERNATIONAL PAPER COMPANY

New York, August 31, 1926.

The Board of Directors have declared a regular quarterly dividend of one and three-quarters per cent. (1¾%) on the Cumulative 7 per cent. Preferred Stock of this company, and a regular quarterly dividend of one and one-half per cent. (1½%) on the Cumulative 6 per cent. Preferred Stock of this Company, for the current quarter, payable October 15th, 1926, to holders of record at the close of business, Oct. 1st, 1926. Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD, Treasurer.

J. S. Mitchell & Company Limited

PREFERRED DIVIDEND

Notice is hereby given that a dividend of one and three-quarters (1¾) per cent. has been declared on the 7% Cumulative Preferred Stock of this Company for the quarter ending October 1, 1926, payable on and after October 1, 1926, to shareholders of record September 27, 1926.

By order of the Board.

GORDON W. SCOTT,
Secretary-Treasurer.

Montreal, September 24, 1926.

Canadian Paperboard Company, Limited

NOTICE OF DIVIDEND

NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%) for the quarter ending September 30, 1926, has been declared upon the 7% PREFERRED STOCK of the Company, payable October 1, 1926, to shareholders of record, September 24, 1926.

By order of the Board,

CHAS. E. WHITTEN,
Secretary.

Montreal, September 21, 1926.

QUINTE AND TRENT VALLEY POWER COMPANY, LIMITED

NOTICE OF DIVIDEND

NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%) for the quarter ending September 30, 1926, has been declared upon the 7% PREFERRED STOCK of the Company, payable October 1, 1926, to shareholders of record, September 24, 1926.

By order of the Board,

CHAS. E. WHITTEN,
Secretary.

Montreal, September 21, 1926.

Tenders for Debentures

The School Commissoners of the City of Hull

Public notice is hereby given that the School Commissioners of the City of Hull will receive, until the twelfth day of October, 1926, at four o'clock in the afternoon, at the office of the the undersigned, written tenders for the purchase of bonds or debentures of the School Commissioners of the City of Hull, an issue of two hundred thousand dollars ($200,000) made in virtue of a resolution passed the 29th December, 1925, and approved of by the Lieutenant-Governor in Council, the 15th day of April, 1926.

The said debentures shall bear the date of the first of March, 1926, and shall become issued, in series, during the period of thirty years, from the 1st of March, 1927, and ending the first of March, 1956, with interest at the rate of 5% payable half yearly. The capital issuing annually and the interests half yearly shall be payable at the office of the Secretary-Treasurer of the School Commissioners of the City of Hull, or at the office of "La Banque Provinciale du Canada" at Hull or in Montreal, and the said bonds or debentures will be of the denomination of five hundred and one thousand dollars each.

Every tender must be sealed, with endorsement "Tender for Debentures" and addressed to the Secretary-Treasurer of the School Commissioners of the City of Hull. The tender price shall include the accrued interest on bonds up to the time of delivery which will be made at Hull, P.Q.

Every tender must be accompanied by an accepted cheque equal to one per cent. (1%) of the amount of the issue

The Schedule of issuing payments, as well as any other information shall be furnished upon request.

The School Commissioners of the City of Hull are not bound to accept any of the tenders.

GIVEN AT HULL, this twenty-third day of September, 1926.

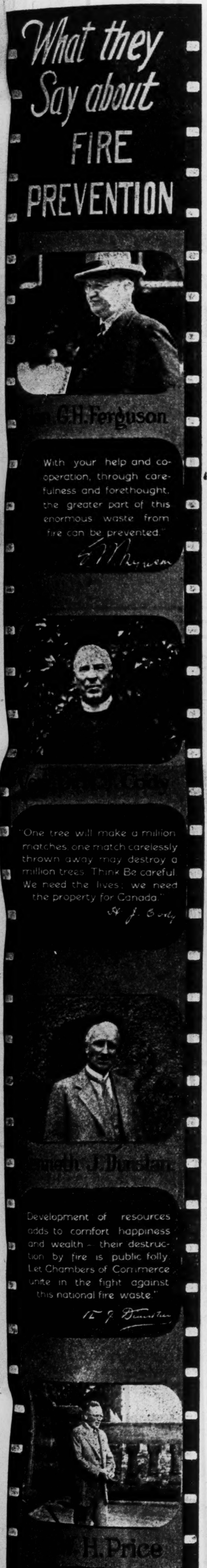
JOSEPH PROVOST,
SECRETARY-TREASURER,
HULL, P.Q.

Dominion Fire Prevention Week, Oct. 3 to 9

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Special Section 17-24 | PUBLICATION OFFICE: TORONTO, OCTOBER 1, 1926 | Special Section 17-24



Removing Structural Defects Important Way to Cut Losses by Fire

Practical Information from Leading Engineer on Key Subject

HOW FIRES SPREAD

Wooden Walls, Open Skylights, Combustible Roofs Blamed for Movement of Fire from Building to Building

By H. L. BOND, Engineer, National Fire Protection Association.

"Carelessness" is the easy way to explain why many fires start. And to a certain extent it is true that human fallibility is responsible for many of them. While carelessness may be checked by inducing careful habits, at best "carelessness" is itself a pretty intangible thing with which to cope. But carelessness can never cause a fire unless some fire hazard is concerned. The logical thing to do is to protect against the hazard.

A careless smoker may set fire to the combustible contents of a room. If the fire spreads beyond that room and involves the whole building or adjacent buildings, everything that could have been done to prevent that fire has not been done. It may not be possible to completely control the careless smoker, but it is possible to keep that fire in the room where it starts by eliminating beforehand the defects that allow it to spread.

Where Fire is Real Burden

If a fire once started burns itself out due to a lack of material to burn, or is immediately extinguished by automatic sprinklers, the loss may be negligible, but if the fire spreads and burns a great deal of material before it is put out then the loss is heavy and the fire is a real economic burden.

Although most of the factors which tend to cause fires are pretty well known, it is doubtful if they are better understood than the factors which cause the spread of fire. This spreading is really responsible for the huge fire loss. Any feature of construction which tends to spread fire is a structural defect.

How Fire Spreads in Building

Let us consider for a moment what factors may cause fire to spread from the part of a building in which it originates to the rest of it. Many of these structural defects can be easily corrected or protected where they now exist. In combustible construction, for instance, any openings from a room into the hollow spaces between the walls, floors or roofs may permit fire to enter such concealed spaces and spread where it cannot be reached by hose streams or sprinklers. Ordinarily fire spreads much faster vertically than horizontally, and for that reason it is important to have no open path from the room in which it starts to rooms above, and that there be no openings in the floor through which burning embers may drop, spreading the fire to the story below. Such openings permit a rapid destruction of a building by fire, and their protection is imperative to safeguard both the building and the lives of its occupants.

In new buildings every provision can be made so that if fire starts in the necessarily combustible contents. it cannot spread beyond the place where it starts. Incombustible construction, fire walls and doors will prevent fire from spreading vertically from floor to floor or horizontally through the building or into other buildings. Even where construction must be partly combustible, the spread of fire can be so impeded that its extinguishment is easy.

Even in Old Buildings

Even in existing buildings, put up without attention to details which retard fire, much can be done to remove structural defects. And where structural changes are impractical, automatic sprinklers can be installed. These will offset even serious structural deficiencies.

Hollow spaces formed by sheathing or plastering behind which fire may spread are most objectionable. To prevent the spread of fire through hollow spaces they must be stopped off by inserting boards or preferably by filling the channels with concrete or bricks and mortar.

Boxed cornices forming a hollow space inaccessible to hose streams around the eaves are objectionable because fire in these quickly spreads into the roof, or the ends of the rafters are burned so as to cause the collapse of the roof. If such cornices must be retained, they should be stopped off at least every 30 feet with two-inch plank or non-combustible stops so inserted as to make a tight joint with the walls and roof. Where possible, boxed cornices should be made open by the removal of the lower boards.

Open stairways form free vertical paths for fire and smoke leading to a quick destruction of a building and endangering the lives of its occupants. They may be safeguarded in several ways, the local conditions de-

(Continued on page 18)

FIRE IN A "FIRE-PROOF" BUILDING

That a building is of first-class or fire-resistive construction is no assurance that a serious fire cannot occur as long as there are any combustible contents. The damage due to heat and water is always serious, even though the building is not itself consumed. Fire entered this building from the rear through partly protected window openings

Investigating Every Fire; Cataloguing All Fire Bugs; Work Nationally Organized

Fire Underwriters Have Loss Investigation Bureau That is Clearing House for Fire Loss Records — Under Harry Rethoret, Goes After All Incendiaries

TRAINED INVESTIGATORS SMELL OUT FOUL PLAY

THE questions of fire prevention as applied to physical hazards and improved methods of fire fighting, have received the most careful consideration by insurance companies, provincial and dominion officials, fire departments, as well as the general public.

Fire doors, automatic sprinklers, self-closing receptacles for articles subject to spontaneous combustion, etc., etc., have become so well known as to require hardly any further explanation. Periodical inspections of manufacturing premises, by fire department officials, have led to improved methods of house-keeping, thereby reducing the fires caused by accident or carelessness.

Peter, We Know, Pays Paul

The old idea that "the insurance company pays" is gradually being replaced by the saner idea that the "insurance company collects from Peter to pay Paul." The knowledge that each fire means a dead loss of some of our resources is daily being brought home to all.

On the other hand, the fire which has been deliberately set by the criminal who considers insurance as the means of "getting rich quick," instead of protection, has frequently been either overlooked, and in some instances even winked it.

It is not uncommon to meet oth r-wise honest persons who consider the criminal who is able to burn up his property and collect insurance as a rather clever business man who deserves to get away with it.

The opinion of various authorities who are well-informed on the questions of incendiary fires, vary to a great extent. Some estimates are as high as 50 per cent., while the most conservative ones are from 5 per cent. to 10 per cent.

Life Means Nothing to Fire-Bug

Aside from the purely pecuniary losses which he causes the entire nation, the incendiary has shown a remarkable lack of consideration for the lives of other persons in the buildings he fires, or the firemen who lost their lives in attempting to extinguish these blazes. A very glaring example of the length to which incendiaries will go to ensure successful fires, was illustrated in oue of our eastern cities, where the incendiary had arranged a series of strings throughout the building in such a way that the firemen would have tripped over these strings, thereby upsetting additional cans of gasoline. The captain of that particular fire brigade, in giving his testimony, remarked that it was lucky they saw these strings, as otherwise none of his men would have been left to testify.

Some fifteen or twenty years ago, the National Board of Fire Underwriters of New York, organized their Arson Bureau, and gradually built up a staff of trained specialists whose sole duty consists in the investigation of incendiary fires, and in assisting the properly constituted authorities in securing the conviction of parties guilty of that crime.

Canadians Follow Suit

The Canadian Fire Underwriters' Association followed suit, and in 1913 organized their Investigation and Loss Information Bureau along similar lines. This Bureau was placed under the management of Harry Rethoret, with the head office at Montreal, Que. The scope of activities was, however, limited to the provinces of Quebec and Ontario, and the membership only included the companies members of the Canadian Fire Underwriters' Association. The results obtained during the first two years led to the extension of the territory covered, as well as to the admission of all companies desiring to co-operate. In order to permit other than board companies to join the bureau, it was placed on an independent basis, and it is now known as the "FIRE UNDERWRITERS' " INVESTIGATION AND LOSS INFORMATION BUREAU OF CANADA.

Its membership includes approximately 150 fire insurance companies at present.

Now National in Scope

The whole-hearted co-operation which was given to the bureau by the fire marshal, crown prosecutors, police and fire departments, has been of very material assistance, so that

(Continued on page 18)

Big Plants Save Money With Auto Sprinkler Systems Installed

By J. B. LAIDLAW, Manager, Norwich Union Fire.

There is no doubt about the value of the automatic sprinkler as a fire extinguishing device. That value is fully recognized by the insurance companies, so well recognized indeed that it has been said that it would pay a man having a plant or property worth $100,000 or upwards to protect it by automatic sprinklers rather than to rely upon the ordinary protection of watchfulness and care and the use of fire appliances. Practically all large, successful industrial plants in Canada are protected by automatic sprinklers.

Fire Loss in Sprinklered Building Less Than 3c. for Each $100 at Risk

Little Loss of Life Where This Protection Given

SAVINGS ARE AMAZING

Even Tariff Companies, Unable to Pick and Choose, Find Sprinklered Losses Small

By GEORGE BRIGDEN, President, Brigden's, Limited, Toronto.

The extinguishing of fire through automatic sprinkling had its birth more than 200 years ago when Ambrose Godfrey, a resident in the cotton and wool milling district of England, in 1723 evolved a device that automatically extinguished fires. Nearly 150 years elapsed, however, before there was placed on the market a sprinkler head comparable in any respect to that which is used to-day, and here again, to an Englishman must be given the honor, for it was in 1867 that Major A. Stewart Harrison, of London, perfected his appliance. A study of records of the English and United States patent offices show that during the next 15 years many minds were at work endeavoring to improve and invent appliances that would give more efficient service. The benefits gained, however, from these imperfect productions were so pronounced that they acted as a spur to greater efforts on the part of those more directly interested and in 1882 Frederick Grinnell, of Providence, Rhode Island, gave to the world the first sprinkler head that could fairly be termed dependable and efficient. Since that date more than 50 distinct and reliable sprinkler heads have been invented, tested and accepted by the insurance companies throughout the world. In Canada 10 or 12 of the companies manufacturing these heads have established plants or offices and through their representatives are daily preaching the doctrine of fire protection.

Rarely a Sprinklered Loss

Little would be gained in giving a description of a sprinkler head or a sprinkler system. The majority of those who would be benefited by their installation are not particularly interested in their mechanical construction. What they do want to know and understand clearly is what such an installation will do and what results have been obtained. What will it do? Primarily it gives immediate protection not only to property but to human life, a desideratum greatly to e desired both from a financial standpoint and from that of our duty to our fellowman. Immediate protection implies a minimizing of the loss. Rarely indeed do we find a loss of any magnitude in an adequately sprinklered building.

One group of insurance companies who write only sprinkler risks report a loss of fire of less than 2½c. per $100.00 of risk insured. Could a stronger argument for sprinklers be adduced?

Hazard Is In Contents

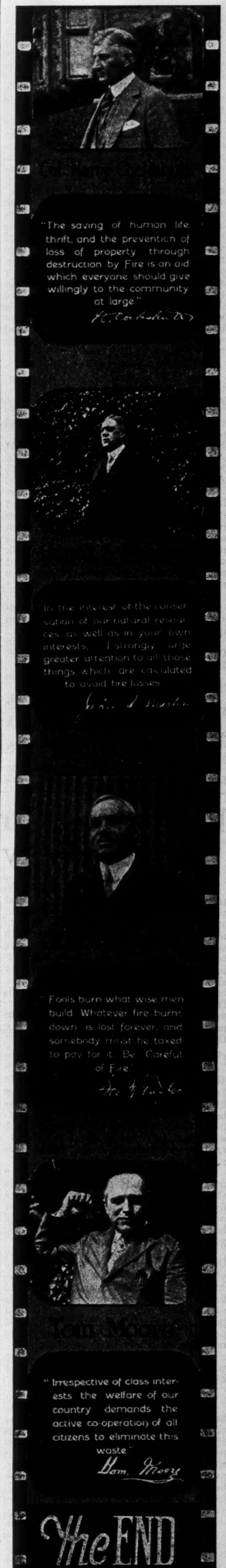
Unless an improved method of fire control is adopted and installed, it matters little how the building is constructed, for the danger lies, comparatively speaking, not in the building proper or its exterior hazard, but in its contents. Experience has evidenced that buildings of far better than average construction are not safe from fire and that in the great majority of occupancies where construction alone has been considered, there has not been always a reasonable measure of safety provided for. Manually operated fire extinguishers, fire hose and pails are important items which should be inspected at stated intervals and are particularly useful in buildings which are continuously occupied, but without an automatic sprinkler system, no building is properly protected—is free from destruction, for such a system not only prevents the spread of fire but extinguishes it.

Re-inforced Concrete Easy Prey

A striking illustration of what occurs in a recognized fireproof constructed building without sprinkler protection was afforded at the time of the fire in the Quaker Oats property at Peterboro. Here was a reinforced concrete structure, erected according to the latest engineering standards, its two sections divided by a fire wall, but which when attacked by fire became an easy prey and had ultimately to be torn down, the heat having destroyed the concrete.

The fire at the Dodge Brothers plant at Toronto is another instance where lack of sprinkler protection resulted in an uncalled for loss. The fire took place in a blind roof space possibly 4 in. in height at the low point of the roof, to 16 in. in height at the high point. The ceiling of the top floor under this roof was of heavy laminated construction. It is claimed by many fire protection engineers that sprinkler protection is not necessary

(Continued on page 18)



Fire Loss in Sprinklered Building Less Than 3c.

(Continued from page 17)

in low roof spaces over laminated ceilings and yet it was in that space the fire started. Should not this incident act as a warning to all occupying buildings of similar construction?

Protect Least Expected Parts

Mr. John R. Freeman, of the New England Mutual Insurance Companies, recognized as one of the most reliable authorities on sprinkler protection in America, is credited with always advising his engineers to plan for protection in those parts of a building which are as a rule looked upon as being least likely to require it.

The Dodge building is an example where the advice, if followed, would have been of great value.

Henry A. Fiske, an eminent fire protection engineer, has made the statement that the record of automatic fire control by sprinklers stands as high as 98.2%—a marvellous record. True, there are large losses by fire in sprinkler plants, but almost invariably investigation has proved either that there were no sprinklers at the point of origin of the fire or that, as in the Robinson departmental store fire at Hamilton, the water had been turned off to prevent freezing, or that the sprinklers failed to act for some one or other of a dozen or more preventable causes. An expenditure of $1,000 by the Robinson people would have placed a dry pipe valve in their store and would have reduced materially the loss of $400,000 which was entailed by the fire.

Losses Almost Infinitesimal

The 1925 report of the Manufacturers Mutual Fire Insurance Company and associated companies who insure only properties substantially sprinklered, give some interesting and telling figures:

Number of plants insured	5751
Amount of risk	$7,886,966,575.00
Number of losses	1775
Amount of loss	$2,201,885.00

These figures demonstrate that the loss was less than 3c. per $100 of risk written, and from other figures in this report we learn that the cost of the insurance to the assured was on an average of 7.6c. per 100 of risk written. These figures take care of not only the loss by fire but also sprinkler leakage and wind-storm.

Canadian Tariff Records Similar

A review of the Canadian tariff insurance Company's figures are also interesting and enlightening.

Total number of sprinkler risks in Ontario and Quebec for the year 1924, 1,875.

Approximate estimated total value insured, $882,000,000,000.

Approximate premium collected, $1,763,000.

Approximate rate per $100 or risk written, 20c.

Fire loss equal about 40 per cent. of the premium or about $705,200.

From the above we learn that the fire loss for the Canadian tariff insurance company's was approximately 8c. per $100 of risk written.

In arriving at the above figures, the value of the risk was based on an assumption of an average rate of 20c. to produce the premium income of $1,763,000, which amount was taken from their report as was also the 40 per cent. actual fire losses of premium income.

Engineering Work is Praised

When one takes into consideration the fact that the size of the average risk insured with the Canadian tariff company is approximately one-third the size of that carried by the Manufacturers Mutual Fire Insurance Company; that the Canadian tariff company does not have the opportunity of picking and choosing their risks, and yet that they keep their average loss down to about an 8c. cost, too great credit cannot be given the sprinklered risk, the engineering and inspection departments of the Canadian Fire Underwriters. It is an evidence of sincere intensive work worthy of all praise.

A survey shows that less than 5 per cent. of the properties eligible for sprinkler protection, either on account of their commercial value or because they house valuable human lives, are sprinklered.

There are all told but 2,650 sprinklered properties in Canada distributed as follows:

Ontario	1250
Quebec	1000
Nova Scotia and New Brunswick	125
Manitoba and British Columbia	275

In this number we find but 20 public institutions, several of which are housing hundreds of lives, many of whom are unable through mental or physical reasons to help themselves.

Little Loss of Life With Sprinklers

It is estimated that between 10,000 and 15,000 lives are lost by fire each year in Canada and the United States. An appalling number.

During the past 40 years the loss of life in sprinklered buildings has been about 50, excluding those destroyed by explosions, and the majority of these fatalities were due to the fact that the victims were so close to the fire when it started that escape was impossible. What better argument could be presented for the use of automatic fire sprinkler systems?

More than 40 years ago the first sprinkler equipment was installed in Canada, and for 30 years there have been operating within her borders companies thoroughly equipped to make installations, companies which have branches from coast to coast, and yet there are but 2,650 buildings so protected. The field for education is a large one. Are those who can teach—who can show the way—prepared to do so? Canada's enormous fire waste demands it of them. Will they be found wanting?

Removing Structural Defects Way to Cut Losses

(Continued from page 17)

termining which is the best for that particular case. Stairways should be enclosed in strong partitions, preferably of incombustible material with self-closing fire doors. Good double boarded partitions and doors are better than nothing. The enclosures should be liberal in size, well lighted both with outside windows and artificially, with wide hallways to permit occupants of upper stories to pass out while being protected from a fire which may be in a lower story.

Floor Openings Fire Path

Any floor opening is a path through which fire may pass. In factories belt holes are a common kind of hole and which can be protected by suitably enclosing the belting. Chutes, roller conveyors, dumb waiters, etc., should be protected by enclosures with suitable doors arranged to close in case of fire.

Internal light wells constitute a marked defect. If of wood, the walls should be rebuilt of brick, terra cotta or of wired lath and cement plaster on a steel frame. All windows should be approved fire windows of wired glass in standard metal frames.

Fire may be spread horizontally through a building due to the absenc of fire walls and fire doors to prevent such spread. It is advisable to break up any building with fire walls at frequent intervals so as to make it possible to confine a fire to a limited portion of the building. Where there must be openings in these walls the should be protected by fire doors which will close automatically in case of fire.

Spread From Building to Building

Now why does fire spread from one building to another? First, because of wooden construction. Most of the cities and towns on the North Americon continent are built largely of wood. Conflagrations are almost unavoidable where combustible wooden buildings are erected in close proximity as they frequently are. Large sweeping fires are never extinguished with water, but burn themselves out into open spaces unless stopped by fire walls or incombustible barriers of some sort. Second, fires are spread by combustible roofs. Wooden shingles are the principal offenders in this regard. When dry, they ignite like tinder when flying brands or sparks alight upon them. Once a shingle roof is on fire the draft of the flames tears off the light shingles and carries them to other roofs to be ignited in turn, and in their turn to furnish new flying brands.

The wooden shingle has long been known as a malefactor by those who have devoted themselves to a study of its propensities. It has been repeatedly under observation and found always to perform in the same manner. It has been the cause of incalculable loss of property because of its susceptibility to ignition from sparks. Through its efficiency in communicating fire it has been the known culpable factor in the rapid spread of most of the largest conflagrations on record. At present there is practically no economic advantage in using wooden shingles, as there are many substitutes the equal of the wooden shingle in every respect so that it puts no burden on a house builder to require incombustible roofing. The wooden shingle also causes many fires due to sparks from chimney lighting on roofs. Sparks on the roof is one of the three causes in Canada which combine to produce 50 per cent. of the Dominion's annual fire waste.

Third, fires spread through window openings in the fire-resistive walls of even the best constructed buildings. Conflagrations in brick, stone and concrete sections of cities are only possible because window openings are unprotected against fire. A stone or concrete building is itself a fire wall if the fire can be kept out of it. Any city not built of wood can fortify itself against conflagration by replacing its wooden window frames and thin glass, by metal window frames and wired glass, or equipping the same with standard fire shutters, or open sprinklers. Windows so protected form a fire stop, preventing both the spread of fire from that building to the next and preventing fire in an adjacent building from entering the buildi itself.

Entering Through Skylights

Fire frequently spreads through skylights and roof openings. Skylights should be of wired glass in metal sash and frame except where they occur over the tops of elevator wells, light wells, dump waiters or stairways. Plain glass properly screened is preferable in these cases as it will break in case of a severe internal fire, and serve to let th smoke out of the building so that the fire may be fought. Under these conditions any good fire department can confine even a large fire to the buildings in which it originates.

Summarized, therefore, these three things spread fire: wooden construction, combustible roofs, and unprotected openings.

Few Big Fires Cause Losses

A study of the fire loss statistics of the leading cities of the United States for 1925 brings out prominently the serious fires and high losses in the congested area. According to T. Alfred Fleming, chairman of the N.F.P.A. committee on Fire Prevention Week, these reports show that an average of 1 per cent. of the number of fires is responsible for 66 per cent. of the amount of loss. Large fires can only occur in these buildings when the structural defects outlined above exist. This being true, every effort should be made to bring about the better protection of the high value district of the city through improved construction, protection of openings, installation of sprinkler systems, and improvement of fire department apparatus and efficiency. Probably few business men are really familiar with these statistics or they would be more ready to participate in co-operative programs to improve fire conditions.

It should also be remembered that structural defects often constitute serious life hazards as well as property hazards. If a building is so constructed that fire may spread rapidly, occupants may be trapped. This is an added incentive to the removal of such defects.

The elimination of structural defects is important in the preventing of large loss fires and should be a prominent item in every fire prevention project.

INVESTIGATING EVERY FIRE; CATALOGUING ALL THE FIRE BUGS

(Continued from page 17)

on May 1, 1926, the bureau became thoroughly organized from coast to coast.

The service which this bureau renders is theoretically to its own members, but practically, it is a public service institution. The method used by the bureau is as follows:

Each member company reports all losses to the bureau, irrespective as to cause of fire, or amount of loss; these fire records are then filed alphabetically under the assureds' names, and geographically under the location of the risk. These files automatically show the habitual claimants, physical defects which have caused two or more fires in the same buildings, and also the dishonest claimant who attempts to collect full indemnity from two or more companies. The officials of the various fire departments, adjusters, etc., notify this bureau, as a rule, of all circumstances in connection with a fire which leads them to think that the fire was other than accidental. Very valuable information is also furnished daily by public spirited citizens who realize the menace of the firebug to the community. In such cases, an investigator is assigned to make a careful investigation of the fire. These investigations are generally made in close co-operation with the proper authorities. If, as a result of this investigation, sufficient evidence is found to warrant a further action, the case is submitted to the fire marshal, crown prosecutor, or other official, for further action, and until the case is closed the investigators remain in constant touch with and assist these officials in the prosecution of the guilty parties.

Rogues' Gallery of Incendiaries

The "Rogues' Gallery", operated by this bureau contains the photograph of practically every incendiary convicted in the United States and Canada during the past three years. A special file is maintained showing the ways and means employed by these parties to set their fires.

The bureau may well be considered a clearing house for information relating to fires and firebugs, and the consistent use made of these files by the authorities interested in the prosecution of arson shows that the work of the bureau is becoming more and more recognized.

The Canadian Fire Marshals' Association endorsed the work of the bureau at their last annual meeting in Ottawa, by the following resolution:

> "That the Association of Canadian Fire Marshals in convention assembled hereby express our approval of the investigational work now being carried on by the Underwriters' Loss Investigation Bureau, and this association furthermore undertakes to co-operate with the bureau in all cases brought to the attention of its members."

Choosing the Investigators

The investigators employed by the Bureau undergo a very rigid training period, and before receiving a definite appointment they must successfully pass an examination on the law of insurance, criminal investigation, the law of evidence, court procedure and criminal code of Canada. Successful applicants are then given assignments to minor investigations, and if they finally show themselves capable of producing the desired results, they are placed in charge of certain districts. The location of these men will eventually be so arranged that in the case of a very important investigation three men can be brought to the scene of the fire within six hours' train journey.

These organized efforts of combatting the incendiary have produced good results, and the work of this bureau, as well as the immense amount of information pertaining to fires as collected in these files, will undoubtedly, as time goes on, become one of the important factors in fire prevention.

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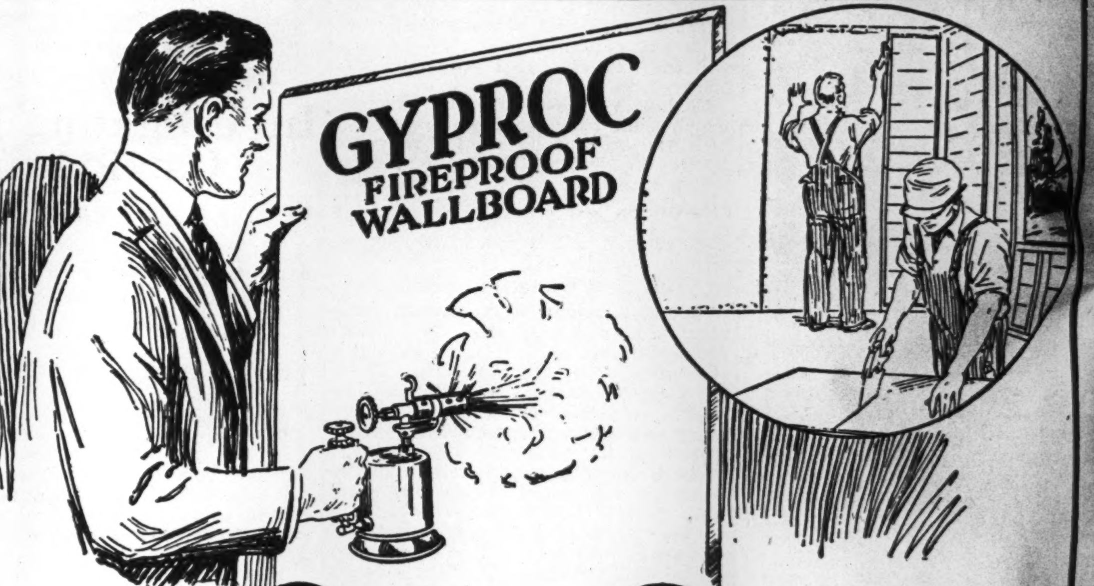

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Fire Escape is Delusion Unless Properly Built

Ordinary Outside Escape Gives False Sense of Security—What Experts Recommend as Proper Type of Building Escape

By KENNETH WILSON.

Does a fire escape give proper protection, or is it just a delusion? This question has been asked by the National Fire Protection Association of America, and the answer has not been altogether satisfactory.

Everyone is familiar with the ordinary types of fire-escapes that look very much as if they had been stuck on to the side of the building. Perhaps as children we took a delight in climbing up and down them, and experiencing the thrill of standing on a rickety iron plate, 50 or 60 feet above the ground. But if that iron plate was all that separated us from a seething mass of flames, we would realize its real significance and would soon find out whether or not a fire escape was equal to its job.

False Sense of Security

Those who have made recent investigations find that in a great number of cases fire-escapes give a false sense of security, and that they often aggravate the congestion and panic which causes such a heavy toll of life in burning buildings. One expert says:

"The fatuous faith of the majority of authorities and laymen in the life-saving power of outside fire-escapes is a constant source of wonder and pain to the student of fire protection for institutional buildings.

"Some escapes are wide and properly railed; the stairs have an easy pitch; access to them is direct; they lead to the ground; they are located opposite blank walls or pass windows protected with metal frames and wired glass; they are a valuable means of egress, if used.

"The majority of fire-escapes, however, are a delusion; they may prove death-traps. Narrow, steep, reached by climbing over window sills, terminating many feet from the ground, passing windows out of which flames are likely to pour, never used at times of drill, they are a monument of the ignorance of the authorities and the selling ability of the manufacturers.

"An outside fire-escape on an institutional building is generally an admission of the inadequacy of its normal exit facilities."

What Canadian Law Demands

At best the old-fashioned type of outside fire-escape is only a device to give adequate protection in a poorly-equipped building. The Canadian law as found in "The Egress from Public Buildings Act" requires a minimum specification as follows:

"Fire escapes must be at least 3 feet 6 inches in width, with treads not less than 10½ inches wide, and the steps with a rise of not more than 8 inches. They must be provided with handrails, constructed of iron or steel, and be strong enough to carry a live load of 100 lbs. per square foot of horizontal area."

Where Escape Falls Short

From practical experience the ordinary fire escapes consisting of steel framed balconies attached to a wall and connected by narrow steel ladders or steps leading from windows are considered a very poor and unsafe means of exit. If a number of people attempt to use such an exit in time of fire or panic, it quickly becomes so congested that travel is very much impeded or entirely blocked.

If fire occurs on the floor below that from which people are endeavoring to escape, and the windows facing such exit are not protected by wired glass, the fire escape is worthless; and even with wired glass, the fire escape is of doubtful value because of the intense heat which may radiate through the windows. Such means of exit should never be employed except upon existing buildings, where the number of people to be accommodated by them is small, and where structural conditions are such that it is impossible to secure anything better.

There are four main types of fire escapes or stairways that are recommended as being both safe and efficient: the enclosed interior stairway, the smoke-proof tower, outside stairways, and horizontal exits.

Enclosed Stairway Efficient

The enclosed interior stairway should be completely enclosed by standard fireproof partitions, as well as all landings, platforms and passageways connected therewith. Everything connected with the smoke-proof tower should be of solid fire resistive construction, and should extend from the sidewalk to and above the roof to form a bulkhead. Access to the tower should be provided from every storey of the building by outside balconies of steel or masonry, guarded by approved self-closing fire doors. The use of such a tower is recommended as one of the best known means of safe escape from a burning building and should be considered as a necessary part of all school buildings, hospitals, hotels, department stores and other public or semi-public institutions. Besides being a safe means of exit, the tower provides a protected position from which firemen can attack a fire on any floor

Other Types of Exits

Outside exit stairways should be connected to the building by a self-closing fire-door, and although this means of exit is least desirable on account of the danger when covered with ice or snow, its value is increased when it is covered over with a roof. Horizontal exits mean one or more openings through or around a fire-wall, or any wall separating two buildings. These openings must on no account be less than 30 inches wide.

After all it is the inside protection that really counts. If proper fire-walls, automatic sprinklers, fire-proofed heating plants and other similar devices are provided, and if care and cleanliness prevail, any fire that does start can soon be controlled. The need for proper inside protection, especially in institutional buildings, is imperative, and if proper care is taken fire escapes may never be needed.

Must Bring Loss Home to Make Any Man Believe There's Danger

By J. A. THOMAS,
Fire Marshal, British Columbia.

I was in a man's office one time and we were discussing fire hazards, the causes of fires, and so on. I was telling him about the loss from smokers' carelessness. He said, "Oh, that sort of thing is an obsession with you people; you don't think about anything else but fire hazards. I have been smoking for twenty years and I never set a fire yet." Just then he took a cigarette out of his case and lighted it; he leaned back in his chair and let the match drop, and it fell into the waste paper basket. I saw it fall and I saw it start a fire. I didn't say a word. The fire burned up and as he was leaning back the flame took him right across the back of his neck. He jumped out of his chair and hurriedly stamped out the fire in the waste paper basket, using both feet in the process. He said, "Did you see that fire start?" I said, "Yes, I did." "Why didn't you tell me about it?" I said. "The only way to teach a damn fool like you any sense is to burn it into his hide."

I can give an intelligent reply to a man who comes into my office and asks how to handle a fire hazard, but when I am asked what to do with a boneheaded fool on the end of a cigarette butt, I cannot answer; I do not know what to say in a case of that kind.

What Fire Costs Canada Year by Year

	1922	1923	1924	1925
Value of Property Destroyed	$ 54,390,688	$ 48,282,354	$ 45,906,531	$ 40,729,724
Insurance Premiums in Excess of Losses Paid	16,529,907	20,472,375	21,590,380	27,246,031
Maintenance Cost of Municipal Fire Protection	23,247,950	24,170,420	24,659,204	25,103,246
Installation and Maintenance Cost of Private Fire Protection	8,431,050	8,873,200	8,994,500	9,374,815
Total	102,599,595	101,798,349	101,150,615	102,453,816

Automatic Sprinklers Can be Bought on Time

By A. G. LEMOINE,
Canadian Automatic Sprinkler Association.

Any factory or mercantile establishment with a clean record behind them may readily make connections whereby they can enjoy the benefits of automatic sprinkler protection without seriously interrupting their financial budget. This is accomplished by arranging to spread the payments for the protection over a period of years. Frequently, if not in the majority of instances, the insurance reductions will be sufficient to meet the annual payments, whereby at the expiration of the contract the insurance savings themselves have amortized the investment.

Of course, each case is separate unto itself, the insurance savings fluctuating just as the cost of the sprinkler equipment and water supplies vary. At any rate, however, the savings will contribute the major portion of the cost of the protection, simply by the process of distributing the total cost over a term of years, whereby the annual outlay represents 15 to 20 or 25 per cent., or whatever the case may be, of the total cost.

From many angles it is more reasonable for a prospect to consider the deferred payment plan exclusively, forgetting altogether about paying a lump sum for the job. There are many reasons for this, regardless of the financial resources of an institution. The assured is not versed in matters of fire protection. There-fore, a contract calling for payments over five years practically guarantees to the buyer that whatever may go wrong, if anything, during the life of the contract, is of little consequence to him, for the people installing the equipment on a deferred payment plan are going to make sure that nothing does happen if it can be avoided. Then, too, insurance is bought in advance, and never under a twelve month period, and the payments going to amortize the investment and the sprinkler equipment can be looked upon as nothing more than the payment of a policy. When additional money is to be added to the savings, it is nothing more than analagous to increasing the line of insurance for a limited period.

Does Not Disturb Capital

Everything considered, the deferred payment plan is the more logical one for the average buyer to seriously consider, and from a sales standpoint is a great factor in the closing of contracts which might otherwise be deferred for years, if closed at all. This plan, as you can appreciate, does not take any money out a man's working capital; does not disturb his assets, and most important of all, eliminates any intelligent excuse for diverting the acquisition of the needed protection. Proper contracts of this character also allow the buyer the privilege of discounting any unpaid balances at his discretion.

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Factory Fire Prevention; Some Points Requiring Executive Attention

Protection and Prevention, Different Problems, Each Need Attention

WATCHMAN HOLDSKEY

Over Half Time, Average Factory is in Complete Charge of One Man Only

By H. L. BOND, Engineer, National Fire Protection Association.

By fire prevention is meant the stopping of fires before they start. Since every fire must start somewhere, and as the result of certain definite factors, it is possible to predict where fires are likely to occur and how they may be caused.

It is not generally understood that isolating the causes of fire and controlling them is possible. This, however, is true. The great majority of fires start from common and well known hazards. A factory just as any other building has many of these common and easily noted potential fire causes.

For instance, in a paint spraying plant a fire inspector was able to point out a defectively installed stove. The owner did not see fit to correct the installation, and shortly following had a fire from that cause, which was perfectly apparent before the fire.

Smoking Usually Heads List

Smoking, and its attendant use of matches, is in nearly every occupancy a leading cause of fire. This is perhaps one of the causes which is least easily controlled, but in spite of that fact, it has been shown that a great deal can be done to lessen the "smoking-matches" hazard. In general, smoking must be prohibited throughout the working portions of the plant at least. This prohibition should apply to all persons, and in order that it may be understood "No Smoking" signs in foreign languages should be posted where there are any workers who may not understand English. The ordinary effect of such prohibition is considerable surreptitious smoking which is nearly as bad as the open use of smoking materials. Such smoking has been overcome in numerous instances by providing a place in the plant wherein the workers may be permitted to smoke at appropriate times.

Any prohibition of smoking should be reasonable, and need not apply to parts of the plant like a foundry where smoking would not increase the hazard.

Poor "Housekeeping"—Rubbish

If smoking is the direct cause of fires, poor housekeeping which allows rubbish accumulations is the principal reason why the "smoking-matches" hazard is great. Every factory should have an organized system of regular cleaning which will assure the removal of combustible waste material before it accumulates in dangerous amounts. Metal cans should be provided for oily waste which so frequently ignite spontaneously, and packing material where it must be used should be carefully stored and handled.

Power and Heating Hazards

The rooms which house the power and heating boilers of any plant should be carefully constructed, as there are many chances for fire to start in and about them. In the first place the rooms should be of fire-resistive construction and cut off from the rest of the plant by appropriate fire doors. Ash disposal should be systematic, handling the ashes in metal containers only.

There are numerous hazards in connection with the storage and handling of fuel. Large piles of soft coal often ignite spontaneously. In many cases this hazard may be avoided by keeping the piles small. When large quantities of coal must be stored, a procedure of spreading the coal in layers and rolling and packing it hard has been found to be successful in preventing such ignition of these piles. Fuel oil tanks should be installed according to best practice, and provision to prevent accidental overflow of oil into the boiler room should be made. Where shavings are used for fuel, shaving vaults should be installed with special attention to their location and construction.

Electricity and Special Hazard

Electricity is always a hazard where installations may be defective. Canada has yet no electrical code, but the National Electrical Code of the U. S.A. should be followed closely in all electrical installations to insure safety from fire.

Every factory has the "common" hazards above outlined. In addition the particular product manufactured, and processes involved introduce hazards peculiar to that type of business. For instance, in a clothing factory, special hazards will be found in waste clippings, sad irons and the waste chutes. These hazards, while peculiar to the industry, are just as definite and can be as easily controlled as the commoner ones. The use of flammable liquids and gases, paints, lacquers and other hazardous commodities is necessarily frequent. Many processes generate dust. Although most dusts are combustible, it is not generally known that many dusts when mixed with air are explosive as well.

Isolate Hazardous Processes

All these hazards need special attention. Even the worst of them can be reduced materially by taking precautions which have been shown to be necessary by actual fire experience. In general, especially hazardous processes can be isolated by placing them in a building separated from the main plant. Where flammable vapors are involved, proper ventilation may be provided. Special apparatus for fire extinguishment can be installed. For detailed information on the control of the less commonly appreciated hazards, the National Fire Protection Association has developed standard regulations to cover nearly every known industrial hazard, which standards are of great value in showing how to lessen the dangers.

Watchman an Important Factor

The average factory is left in the hands of one man, the watchman, for over half of the time. In spite of this fact watchmen are often carelessly selected and supervised. The watchman is an important factor in the protection of property against fire and theft, and as a rule acquits himself creditably. Fires are frequently reported where the watchman has by his vigilance given the alarm promptly or otherwise acted effectively. Also it must undoubtedly be recognized that fires are prevented from starting by reason of the wakeful, loyal and conscientious watchman.

The watchman must be a man in whom the employer can have implicit confidence. Care, therefore, should be taken (1) to get the right man, (2) give him wholehearted support, and (3) instruct him in his duties as specifically as possible, anticipating emergencies that may confront him.

Right Man Must Be Had

Of course, the most important thing is to get the right man. The character, habits and reliability of such a man must be unquestioned. This means that references must be required and verified. A non-smoker is preferred. In no event should a man be employed who cannot refrain from smoking while making his rounds. His intelligence should be keen as emergencies require quick decisions and good judgment. He should be courageous and of a temperament that does not become rattled in an emergency. Physical condition is important. Essentials are unimpaired eyesight, hearing and sense of smell, two legs and two arms, a sound heart, and physical strength.

A very young or an extremely aged watchman should not be employed. A very young man ordinarily has not acquired judgment and a sense of responsibility. An extremely aged man is not likely to be alert or to have the requisite physical strength and endurance. The watchman must have fair mechanical ability as he may be called upon to operate a hose stream, operate sprinkler or service valves, or start a fire pump. The watchman should have an average education, be able to speak English and write a simple report. In some cases French may also be required. An ex-fireman is usually a capable watchman.

The watchman must be thoroughly familiar with all alarm devices and fire protection apparatus. He must be thoroughly familiar with the property and the location of special hazards. He must know above all else what to do in case of fire and know how to do it. Unless he can immediately extinguish a fire which he discovers, he must give the alarm at once.

Fire Protection Also Important

No discussion of fire prevention is complete unless fire protection is also mentioned. Fire protection does not itself prevent fire from starting, but it does prevent small fires from becoming large ones.

Every factory should have a suitable fire alarm system. The size of the plant will determine how elaborate this system should be.

Provision should be made in the construction of the building to retard the spread of fire. Fire walls should be located at reasonable intervals, and horizontal and vertical openings throughout the buildings should be cut off or enclosed. This is to prevent fire from spreading either upward from floor to floor or horizontally from one section of the plant to the adjacent section. In combustible construction the automatic sprinkler has proved itself to be the greatest factor in controlling the fire and confining it to the place where it starts. Records on over 30,000 fires show that the automobile sprinkler may be depended on in 96 out of every 100 fires to stop the fire where it starts or confine its spread.

Full provisions should be made to put out fires after they start. Liberal water supplies, adequate pump capacity, sufficient hose and accessory apparatus should be provided.

It is difficult to say just which of all the factors enumerated above is the most important in any one factory. Any of them may be vital in case of fire and, therefore, attention should be given to them all.

Saskatchewan Has Inspection System

By A. E. FISHER, Fire Commissioner, Saskatchewan.

In Saskatchewan, the work of fire prevention is carried on by the office of the fire commissioner. The province has been devided into two parts, each being under the supervision of a resident inspector, both of which inspectors are ex-fire chiefs, and well trained in this particular class of work. Each inspector has two assistants. Every town, village, and hamlet is inspected, and, if necessary, orders are given for the remedying of hazardous conditions. This work is always carried on in co-operation with the local fire chief.

Fire prevention week of 1926 should be well observed in Saskatchewan. Arrangements have been made whereby the fire insurance agents in most of our towns and villages will be organizing local committees to work with the fire chief for the purpose of inspecting property, and arranging for talks in the schools on the need of reducing our fire loss, and on the need of practical fire prevention precautions in our everyday life.

B.C. HAS LARGE MARSHALS BODY FOR FIRE CONTROL

Searching Investigation is Made of Every Suspicious Fire

By J. A. THOMAS, Fire Marshal, British Columbia.

The main fire marshal's office in British Columbia consists of the fire marshal, deputy fire marshal, assistant fire marshal in charge of theatres and staff. In addition, we have throughout the province, 123 assistant fire marshals, who have authority in their own cities, towns and fire districts.

The work of the assistant fire marshals consists of making regular inspections of the premises in their districts at least once a month. A monthly report is made to the fire marshal showing the number of inspections made, the numbers of orders issued to remove fire hazards, the number of fire drills conducted in public buildings, the summonses issued and convictions obtained for failing to carry out the orders. In addition to this it is part of their duty to investigate all fires occurring in their districts and report at once to the fire marshal any fires of suspicious origin.

During the year 1925, the assistant fire marshals made 49,889 inspections, issued 4,759 orders to have fire hazards removed, conducted 1,843 fire drills in public buildings, 80 summonses were issued and 46 convictions obtained. 1,674 fires occurred in this province during the year. Every one of these fires was investigated and a report is on file in this office.

Checking Up On Work

In order to check up the work of the assistant fire marshals, the fire marshal, his deputy or assistant makes an inspection at least twice a year of all towns, cities and villages in the province. At this time the work of the assistants is checked up, advice is given and assistance when necessary.

In cases of suspicious fires, a searching investigation is made, as under the Fire Marshal Act the fire marshal has power to hold courts of inquiry, witnesses are examined under oath and in cases where sufficient evidence is obtained action is taken through the court.

Keeping Eye on Theatres

On January 1st of this year, this office took over the administration of that portion of the Moving Pictures Act governing the inspection, operation, construction of moving picture theatre and equipment. Plans and specifications for the construction of new theatres and for alterations in existing theatres must be submitted to the fire marshal for approval before construction can be commenced. His approval is also necessary before a license be issued for any theatre to operate.

During the past year 428 inspections of theatres were made, 44 orders were issued to remedy unsafe conditions, 35,000 feet of damaged film was condemned and destroyed.

Film Exchanges Under Control

Film exchanges and kinematograph machines also come under the jurisdiction of the fire marshal. All kinematograph machines must be stamped with the approval of the fire marshal before being used in this province. The physical condition of all film used in the province is passed upon by this office. Under our regulations the projectionists are required to report at once to the fire marshal any defective film that is sent to them for use.

FIRE PREVENTION TAUGHT CHILDREN OF NOVA SCOTIA

Appeal is Made Through Essay Contests, School Manual, Etc.

By MAJOR J. A. RUDLAND, Fire Marshal of Nova Scotia.

The fire loss for the past year in Nova Scotia showed an increase over the preceding year. This, however, was due to abnormal conditions in the Cape Breton strike area and estimated addition to the loss figures of $520,000 resulting therefrom. Apart from this the total loss was the smallest since the fire marshal's office was opened in 1920.

With a view to emphasizing fire prevention measures in building construction, the Nova Scotia Fire Prevention Board have had a model dwelling built. Some of the points strongly brought out are chimney construction, roofing, fire-stopping in floors and sidewalls, two separate exits from upper floor, correct manner of protecting floors and partition walls where stove pipe passes through, electric wiring methods, etc.

The object in view in having this building prepared was educational purposes at county fairs, etc.

Working Through Children

This fire prevention week, an essay-writing competition is to be held. The board have offered fifteen prizes and a large number of entries have been received.

It is realized that our greatest hope is the proper instruction of the children. We have a school manual "Practical Fire Prevention," by Dr. J. W. Logan, approved by the council of public instruction, now in use in the schools.

The superintendent of education has expressed himself as thoroughly in sympathy with our work, more particularly with reference to the essay writing competition and has promised his support and assistance for such competition.

It is hoped that in the not too distant future the results of these activities will be shown in greatly reduced fire losses in Nova Scotia.

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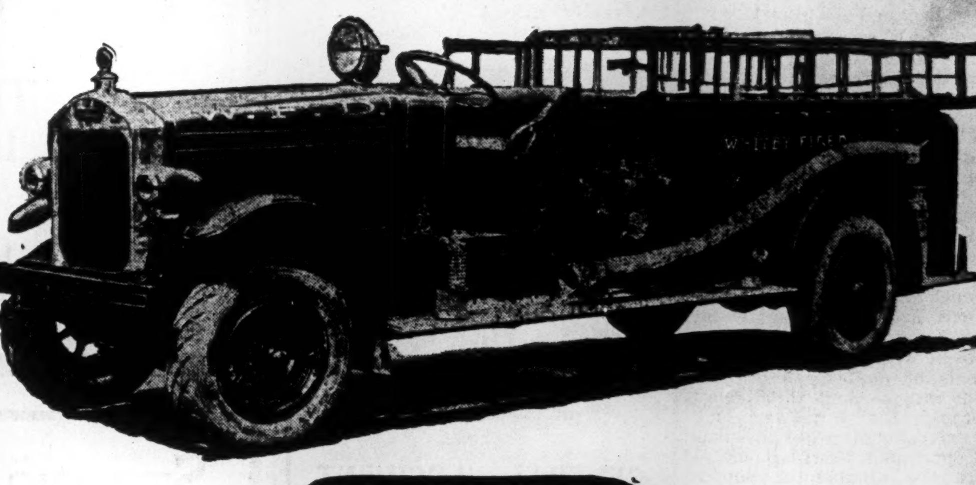

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ALBERTA PROUD OF ITS EFFECTIVE PREVENTION WORK

New and Up-to-date Fire Prevention Laws in Force

At the 1916 session of the legislature of the province of Alberta, an act to provide for the prevention and suppression of fires was assented to. The appointment of a fire commissioner and branch of the service essential to the carrying out of the provisions of the act was not effected until 1919, when the act was proclaimed in force on July 1st of that year. Owing to the increasing fire losses, this branch of the service was re-organized in 1920, and a thorough system put into effect, to enable the fire commissioner to cope with the situation, particularly regarding inspections and investigations, and as a result, competent and skilled inspectors were employed and a system of inspections arranged.

From that time on, the duties of the department increased. Many of the investigations conducted resulted in trials in the courts on charges of arson, and several convictions were obtained, and as a result of inspections made, numerous orders were issued for the correction of defects from a fire prevention standpoint. These results brought calls for assistance in the carrying out of both investigations and inspections by officers of the department, from fire insurance companies, city and municipal authorities, and private interests.

In order that the fire commissioner might still more efficiently carry on his duties, a new Fire Prevention Act was assented to on April 8th, 1926, repealing the old statute. The new act, in its entirety, was drafted with one aim, viz., to assist the fire commissioner's office in an endeavor to lessen the enormous fire waste and to furnish the fire commissioner with greater facilities for the detection of arson.

Must Report All Fires

Many of the provisions of the new act are of considerable importance and worthy of particular note, which can only be appreciated by a study of the entire act, but particular reference should be made to two sections.

One section requires that every person, firm or corporation, sustaining a loss by fire on property situated in Alberta, shall report such loss to the fire commissioner within five days after its occurrence, on a form provided for that purpose, and shall thereafter supply such other facts and circumstances as the fire commissioner may require, tending to establish the cause or origin of the fire.

Another section provides a fine not exceeding $10, or, in default of payment, imprisonment for a period not exceeding one month, for neglect or failure to perform such duty. This provision not only enables the fire commissioner to compile accurate fire loss statistics, by means that every loss occurring will be "checked up," and if the cause appears to be one of carelessness, wilful neglect, or of an incendiary nature, a rigid investigation will be commenced immediately by officers of the department.

In addition to investigations and inspection duties, "Clean-Up Week" and "Fire Prevention Week" have been observed. On these occasions, and at other times during the year, considerable literature has been prepared and distributed. An extensive educational campaign has been carried out, in the form of instructive lectures in schools, and public halls, press publications, and radio lectures.

How Come?

Science is continually proving and disproving one thing or another, but every now and again Nature steps in and upsets many theories. Recently a financial news item mentioned that a fire had occurred in the plant of a fireproofing company and that "$30,000 of finished product had been destroyed."

Fighting winter fires is not child's play.

HOSPITAL FIRES KILL THOUSANDS; HOW TO CUT LOSS

Responsibility on Management to Provide Systems to Meet Fire

One hospital burns every day of the year on the North American continent While business men spend thousands of dollars every year to prevent fire from destroying factories and offices which are used perhaps 10 hours a day, they permit hospitals, asylums and other similar institutions where men, women and children are housed 24 hours a day, to remain inadequately protected against the ravages of fire.

Many Thousands in Danger

Throughout Canada there are nearly 800 hospitals or benevolent institutions, and during any one year between 400,000 and 450,000 people pass through their doors. For the most part if a fire should break out, these people are helpless, since most of them are on beds of sickness, some are permanently disabled, and still others are mentally deficient.

Each year the various provincial and local authorities spend over $30,000,000 to maintain these institutions, and yet there are still many throughout Canada that are poorly equipped to fight the fire fiend. Fortunately many of these buildings as they stand to-day approach the ideal from the fire safety standpoint, and are a proof and an example of what can be done to give adequate protection to old and poorly-planned buildings. This is by no means universal, and the necessity for heroism and bravery in rescuing people when fire breaks out, lies largely in ignorance, and the disregard of the fundamentals of fire protection and prevention. Some of the most common causes of fire are such things as defective chimneys, poorly installed stoves and furnaces, defective electrical equipment, careless handling of inflammable liquids. Other causes are smoking, the careless handling of matches, and carelessness in disposing of rubbish sweepings and litter. It is very hard to start a fire where carefulness and cleanliness prevail.

Besides the ordinary risks, there is the added fact that sick persons become panic stricken under the slightest provocation and panic during a fire is responsible as much as anything else for loss of life. George F. Lewis, Deputy Fire Marshal of Ontario, has prepared an article in which he has tabulated 30 or 40 rules for the prevention of fires in hospitals and which answer the question: "What to do?" when fire breaks out in an institution of that sort. In his preface he urges that wings and sections of hospitals be cut off from other parts of the building by fire doors; that stairs be enclosed by wired glass partitions with automatically closing transoms; and that similar precautionary measures be taken, so that buildings which are not even of modern construction can be at least made fire retardent instead of quick burning. The idea is to prevent smoke and fire from spreading quickly throughout the hospital, until the patients can be moved to a safe place. Bed-ridden and helpless should, of course, be kept as far as possible on the ground floor, and should in no case be housed above the second floor. Mr. Lewis urges that automatic sprinklers be installed in every hospital, and with regards to fire equipment, that two pails of water or its equivalent in chemicals be supplied for at least every 1,000 feet of floor space. The best means of exit for use in a hospital is a smoke and fireproof tower stairway. If this is not available an outside tubular fire escape should be installed. Another point made by the Fire Marshal is that wooden shingles are "conflagration breeders," and that buildings should be protected from "exposure" by a fire resistive roof covering. Soiled clothes and sweeping chutes are considered as a menace to a hospital building and if maintained should be provided with sprinkler heads at the top.

The responsibility for existing conditions rests with the management of the institution. Ignorance is no excuse under the law, and especially ignorance is no excuse where lives are entrusted to an institutional management. In Canada the law provides a heavy penalty when any responsible person fails to comply with the municipal laws and ordinances enacted for the prevention of fire. Never was there a more apt application of the old adage:—"An ounce of prevention is worth a pound of cure."

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QUEBEC SUBSIDIZES LOCAL FIRE BRIGADES

Where Recommendations of Fire Commissioner Are Followed, Help is Given

By P. J. JOBIN, Fire Commissioner, Quebec.

During the course of the past year, the fire commissioner or his deputy visited fifty-two different municipalities, and, after having taken cognizance of existing conditions, they made a report giving the exact existing conditions and prescribing the best remedy applicable. The remedy is not always the same, but we prescribe such recommendations as would afford a satisfactory and efficient fire protection service; at the same time, we promising the municipality financial assistance from the provincial government if they follow out the commissioner's recommendations as contained in the report.

In every one of these reports, there is a clause exacting that fire prevention by-laws are to be enacted and enforced, and that a certified copy of these by-laws is to be submitted to the commissioner. He examines them and has them placed on file.

Examination of Apparatus

During the course of the year, twenty-four visits were made to test fire-fighting apparatus and installation in villages, towns or parishes that had followed out the recommendations made by the provincial fire commissioner. In the event of these having been carried out satisfactorily, the subsidy promised is duly paid. This subsidy is usually thirty per cent. of the cost of the installation, but does not include the cost of installation of a waterworks system, but includes the hydrants, hose, hose waggon, play pipes, nozzles, siamese couplings, axes, bars, ladders, firemen's clothing, fire station, hose drying tower, and, when necessary or expedient, a fire alarm system and always the organization of a fire brigade, usually a volunteer one, and the giving of drills to them so that they may familiarize themselves with the handling of the apparatus.

We have model fire prevention by-laws that are given to municipalities. Either this model or its equivalent is exacted before any subsidy is paid.

A MATTER OF MUNICIPAL CONCERN

The prevention of fire and the protection of the lives and property of the people from destruction when fire does occur should be a matter of municipal concern. As manufacturing industries are the backbone and mainspring of a community, so should their development and prosperity be of vital importance to every citizen, especially in their protection from loss by fire. Such, however, is not the case, and many of our most important industries and large commercial institutions have found it necessary to organize and maintain first class fire prevention and fire fighting brigades. This private fire protection naturally increases the "overhead" of the company, and the cost of their product is proportionately increased, whereas if the municipality provided adequate fire protection and the entire citizenry contributed to the cost of maintenance, greater prosperity would accrue to all.

Island Province Checks All Fires

By C. A. BEER, Deputy Fire Marshal, Prince Edward Island

The office of the provincial fire marshal in Prince Edward Island is at Charlottetown. The officers consist of a fire marshal and his deputy, with some forty-eight assistant fire marshals throughout the province.

In the prevention and suppression of fires, the office sends out literature, posters and warning signs to stores, schools and factories. Seasonable articles are published in the newspapers of the province, and general inspection work is carried on. Fire drills under the supervision of the fire prevention officers are carried on in schools and other institutions.

Organized fire departments are regularly inspected and report monthly on their efficiency.

All fires are reported to the office by assistant fire marshals, and in every case investigations are made. Complete records are kept and statistics compiled, showing the number of fires, their causes, the property losses and insurance losses.

Carelessness in doing the ordinary things about the house is the chief cause of many fires. The town is simply the home expanded; it is the family multiplied; it is fraternity widened—so that not only you, but everyone is involved in the payment of the fire tax; and everyone should be equally anxious to reduce the losses from fire.

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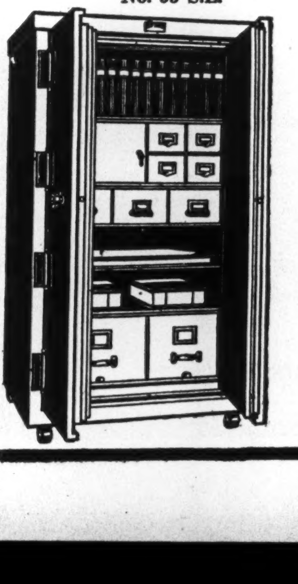

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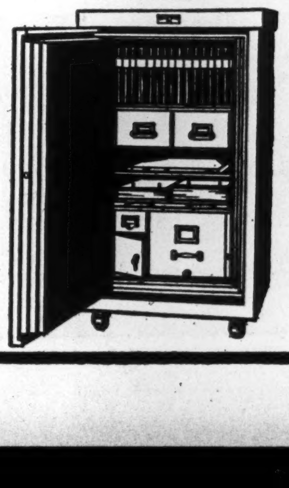

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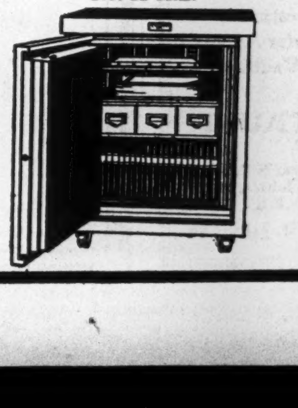

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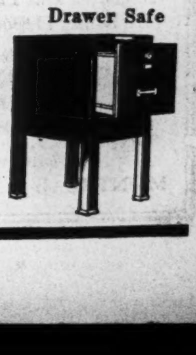

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Limitation of Paternalism Leaves Farmer in Better Position Than Elsewhere

In Canada Private Corporations Have Filled Need Despite Some Unfavorable Legislation — Public Protected by Class Government Supervision

COMPANIES HAVE ENCOURAGED INSPECTION

By C. C. FERGUSON,

General Manager, Great-West Life Assurance Co., at annual meeting of Dominion Mortgage and Investments Association.

In Canada, generally speaking, the state has, to a limited extent, become paternal as a lender. That state operations are limited may be the reason why the tiller of the soil in the prairie provinces is carrying a lighter burden of debt and interest upon it, and generally has easier access to the means and tools of agricultural production than has the agriculturalist in any other country.—From Mr. Ferguson's address.

The prairie provinces are still in what may be termed the initial stages of their development—only a small part of their land, and a still smaller part of other potential resources, have been exploited. Virgin fields of great extent have yet to be brought within the pale of development by the labor of more people aided by capital secured either locally or elsewhere. Progress, however, is evident in many major respects—to a greater extent than is, may it be respectfully submitted, generally appreciated. Progress made, and being made, is not infrequently the subject of complaint by public bodies and individuals representing them. Not many months ago it was seriously proposed, at a gathering of distinguished Canadians, to pledge the credit of the country to a fantastical amount to subsidize immigration and immigrants with a view to speeding up development. Proposals of this character are symptomatic of discontent. Whether it is justified or not is not a question now to be discussed. The contribution to what has been done—what has been accomplished and what may be done—by the efforts of our people themselves, through the agencies of their own creation may, it is submitted, be more profitably examined to the extent the present opportunity affords. Sound opinion and accurate knowledge with respect to the existing enterprises of the people in the investment field can only, in view of the facts, result in greater confidence in ourselves, nationally speaking.

One of the obligations which rests upon the investment corporations is to at least use every opportunity that presents itself to give to the public information upon which an unprejudiced opinion can be formed as to the size and character of the service that is being rendered to it.

Most Thorough Inspection

It may appropriately be said here that no form of organization of Canadian citizens, or organizations operating in Canada under the control of citizens of other countries, and which direct investment of the savings of our people, are subject to inspection as thorough and as incessant as are those corporations represented by this Association. To this inspection as thorough and as incessant as are those corporations represented by this Association. To this inspection no objection is raised or has been raised on the part of the companies.

It has always been regarded by those in control that the millions of people who have entrusted part, and quite frequently the whole of their savings with them, should through Government inspection have access to information upon which they can, for themselves, judge as to the worthiness of the corporation with which they have all-important contractual relations. Those who place their savings with our members authorized to receive them, under varying terms to suit all circumstances and conditions, should know, or have means of obtaining knowledge, of an exact and unprejudiced kind, as to the ability of the contracting company to honor its obligations.

Confidence of Public

That the membership of our Association has under administration at the present, assets aggregating $1,859,965,039, is due entirely to the confidence which the public have in their fidelity to their contracts. The growth of this confidence has been the result of faithful service rendered to the public for a long period of years and in some cases since before Confederation. This confidence, and the responsibility it imposes upon our member companies in the care of so large an aggregation of assets belonging to some millions of Canadian citizens, brings with it obligations which "inhere in the care of aggregations of capital." To amplify these borrowed words, it may be said that in directing the use of so much capital, and while preserving unquestionable ability to meet contractual obligations, regard should be had to the social and economic welfare of the people as a whole.

Alberta and Saskatchewan this year celebrate, as provinces, their twenty-first anniversary. Under the Territorial Government, prior to 1906, several corporations had made up their minds to the fact that the area into which settlement was pouring had a bright future. Their investments in these two provinces, up to that time, were considerable and satisfactory, the aggregate being $17,000,000, as compared with $230,000,000 to-day—an increase of 1306%. In all the prairie provinces in 1906 the total invested was $37,302,971, and to-day is $365,450,000, or an increase of 880%.

Loans and Development

Striking as are these increases of our investments in the prairie provinces, it may be asked, and with justification, as to whether they have been proportionate to your development. According to Hon. Mr. Headley, the Minister of Agriculture for Alberta, the estimated market value of agricultural production in that province in 1905 was $20,000,000 and in 1925 it was $256.000,000, an increase of 1180%, which is of a character that ought to dissipate the evil forebodings of the most tenacious pessimist. Our companies' investments in the same province in 1906 $92,850,000—an increase of 2120%. Of the steps, or advances, made in the space of twenty-one years, those of Alberta are gratifying, and they indicate beyond doubt that its people have a basis upon which they can build so as to command what capital may be necessary. Its greatest asset is field products and products incident thereto, and measured by progress in this respect it is fairly obvious from the facts submitted that the company members of our association have been faithful to the obligation which rests upon them not to neglect to apply to the use of your province the equitable proportion of the capital which represents, in no mean degree, savings made by a large proportion of your citizens and entrusted to our care.

That no misapprehension may exist as to the proportion of our assets invested in the West, the facts should be kept in mind. The assets of mortgage, trust, loan and insurance companies in Canada, and available for investment at discretion, amount to $1,106,443,305. The population of the three prairie provinces, according to accepted authorities, is approximately 2,141,100 or 22.94% of that for the whole of Canada. In proportion to population the assets applicable to these provinces would be $253,818,094, as compared with an actual investment of $365,450,000. That 33% of our available assets are invested in the prairie provinces, while they have 22% of the Dominion population, simply shows that through the agency of our organizations $112,000,000 more than their proportion of the savings of their clients have been brought to the service of the prairies.

In the way of fact or figures it would be superfluous to add more in order to show that whatever may be said as to the lack of sympathy on the part of the companies as to the particular needs of capital by the prairies, they have been dealt with generously.

In guiding the policy under which "aggregation of capital" is invested the companies generally can bring to bear, on credit problems which from time to time present themselves, a long experience in Canada. Mistakes, nevertheless, are often made. On the whole, however, they have served the country well and economically. Criticism of their policy is by no means infrequent. In the prairie provinces this is particularly the case, resulting in concrete proposals to displace the co-operative and corporate efforts of the people themselves, in respect of farm mortgages, by the state. On behalf of the agencies through which farm mortgage credit has been extended up to the present time—it can be said that a rural development has taken place which, correspondingly, bears favorable comparison with any other country.

Experiences in Dakota

Reports in the press, almost daily, present to us a very full view of the results of state paternalism in the United States. South Dakota taxpayers are mulcted in several millions loss, and a similar experience has befallen some other states. The Federal Farm Loan system, operating under the impetus of substantial subsidy and state privileges, has been an important factor in bringing about the unsatisfactory conditions existing there. Of their seriousness, Mr. Norman, when acting as economist to the Federal Farm Loans board, said:

"The amount of farm mortgage debt and its relation to the present and future profitableness of farming have become great national problems. During the decade 1910 to 1920, farm mortgage debt increased $2,277,594,341 or 132 per cent. While this increase in debt is alarming enough, its effect on a farmer's ability to get himself out of debt from farm production is still more alarming, for usually a farmer has no other source of income except what his farm yields him. If the mortgage debt on a farm is large, the amount paid as interest will be correspondingly large. This is a drain on income. The question is whether farmers can redeem themselves from debt out of the net earnings from their farms."

By lending on a large scale, unprecedented in the annals of rural credit, and only possible by the aid of the state, the economist of the board had, in the terms quoted, to draw attention to a result largely attributable to that form of state enterprise. Each year, since the institution of state and federal lending in the United States, new credit remedies have been sought and applied, but the trouble is still demanding further remedy and a hopeless search for it, under state auspices, is being made.

Results in Europe

In Europe the results of state credit to borrowers who till the soil, or to those who own the soil, but do not till it, has not lightened the burden of the actual tiller. A few days ago the head of the National Grange, a representative U. S. Farmers' organization, (L. J. Taber) after visiting Europe, says:

"The struggle for land is so keen that we in this land of 'room enough' cannot possibly appreciate it. The fields are divided, and sub-divided, until until families are trying to eke out an existence on what would seem to us to be only a garden plot."

Under this pressure for land, the capitalization of its value, aided by state credit systems, created a type of financial landlordism instinctively alien to the spirit of self-reliant Canadianism, with results depicted by Mr. Taber.

In Australia, as the editor of the Manitoba Free Press, after visiting that commonwealth remarked, an interesting experiment is being made to arrest the operations of the law of supply and demand, and similar efforts are being made in New Zealand. Interest burdens presently carried by tillers of the soil in these sister Dominions are incomparably greater than the corresponding ones in Canada.

In 1913 a commission appointed by the United States, and to which Canadian representatives were added, made an exhaustive enquiry into rural credit systems. After visiting Europe and other countries, it reported:

"It is the opinion of the commission that our American problem of rural credit should be worked out without government aid.. . . . If there is not private capital in sufficient quantities, the only way the government can get the needed capital is either by taxing all the people in order to get capital for farming, or else by issuing bonds that sometime later must be paid by all the people.

"One of the great lessons learned in

(Continued on page 24)

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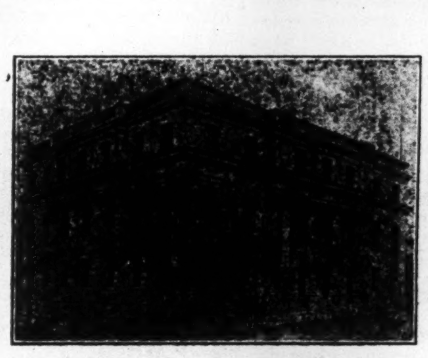

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LOAN SECURITY IS IMPAIRED IN IRRIGATION AREA

Finances of Lethbridge Northern District in Alberta

MORTGAGE WEAKENED

A Practical Demonstration of How Investment of Capital Can be Discouraged by Short-sighted Legislation

By H. D. MANN,
At Convention of Dominion Mortgage and Investments Association.

Irrigation is no new idea. It was conceived with the laudable object of populating the vast arid spaces, and the Lethbridge Northern Irrigation District was organized and elected for that ostensible purpose on October 23rd, 1919. For several years before that date, especially following the opening in 1911 of the Canadian Pacific Railway Company's dam at Bassano for the service of its Brooks Irrigation project, the government of Alberta had been listening to the clamor for irrigation from certain so called dry areas of Southern Alberta. This clamor was heard loudest in dry years and died away with the return of wet seasons only to be renewed with increased vigor when further periods of drought occurred. It was in response to this clamor that the Legislature of Alberta, after the creation of the province, passed, in 1915, the Irrigation Districts Act, being Chapter 15 of the Statutes of that year. Prior to 1915 the Irrigation Districts Ordinances of the North West Territories, passed in 1898, was in force.

It was also provided in the Act that the money required for any project was to be raised on the security of debentures but, be it noted, no provision was then made for any Government guarantee of these debentures.

Following the passing of this General Irrigation Act, in 1915, a series of wet years intervened, the cry for irrigation waned, the Great War was on, and in any case it was seen that the sale of Debentures was impossible and the Act proved to be inoperative.

Then on October 23, 1919, following a period of prolonged drought in the Southern part of Alberta, the Lethbridge Northern Irrigation District was created, and strong agitation was raised from the Lethbridge district to get the project going.

From the very outset the Mortgage and Loan Companies had opposed the irrigation schemes of the Government and they protested with particular vigor at this time against any legislation being passed which might have the effect of prejudicing the security of existing mortgages on lands within the district. The Legislature of the day appreciated the justice of the mortgage companies' contentions and we, therefore find it provided in the Irrigation Districts Act, 1920, "that the irrigation rates upon or in respect of any land shall be a special lien upon such land, having priority over all claims, liens, privileges, or encumbrances thereon, except first mortgages within the meaning of this Act."

Were Mortgagers Betrayed?

From the foregoing it is clear that the Legislature had no intention of interfering with the rights and priority of first mortgages.

To sum up, although the Legislature clearly intended that the first mortgagee's security should remain prior to and unprejudiced by the irrigation rates, the facts are:

1. That land values have shrunk within the district by reason of the imposition of the heavy burden of rates, and securities have in consequences become seriously impaired.

2. That borrowers have defaulted in their mortgage payments by reason of those conditions and the mortgagee is neither able to sell nor able to rent, and there is a complete deadlock.

There are hundreds of thousands of dollars affected. Exact figures are not available although I am informed that the colonization manager is at present engaged in compiling figures which will be available shortly.

But there is one thing that mortgagees, through their associations—dominion and provincial, can do, and it is this—carry on persistently in their efforts to show to the government that it is just this sort of thing that discourages capital. Our legislators must treat fairly capital already invested in our province, and must make and amend our laws so as to invite and encourage more capital to come in. And not only must our laws be right but they must be fairly and equitably administered in the spirit in which they were passed.

If this could be brought about there is no question that we would see a renewed influx of money seeking investment in our wonderful province, we would grow and develop as we should, and in our growth and development we would contribute a very great portion of the property and progress of the whole Dominion of Canada.

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Nearly Two Billions for Mortgages

The importance of the fifty-five mortgage loaning institutions forming the Dominion Mortgage and Investments Association, is indicated by their total assets under administration of nearly $1,860,000,000. Following is a summary showing the growth of the association as a force in controlling mortgage investments since 1916, from the report of the membership committee submitted at the annual convention at Edmonton by Hume Cronyn, chairman:

ASSETS UNDER ADMINISTRATION

	Loan Companies	Trust Companies	Insurance Companies	Total
1916, March 3	$120,616,547	$249,576,158	$158,228,403	$ 528,421,108
1917, December 31	133,652,821	302,392,306	237,293,406	673,338,533
1918, December 31	134,689,756	352,092,119	264,211,206	750,993,081
1919, December 31	196,680,397	493,062,516	314,759,488	1,004,502,401
1920, December 31	211,985,937	538,474,069	389,867,378	1,140,327,384
1922, December 31	257,600,428	671,981,434	527,314,572	1,456,896,434
1923, December 31	267,337,904	719,113,102	603,037,297	1,589,488,303
1924, December 31	282,285,144	742,903,916	715,809,520	1,710,990,580
1925, December 31	293,739,767	768,607,863	797,617,409	1,859,965,039

How Alberta Legislation "Killed Goose" for Farmers by Discouraging Mortgagee

By GEO. H. SMITH.
President, Dominion Mortgage and Investments Association, in his annual address at Edmonton Convention

Investments made by the members of this Association in mortgages in Alberta aggregate a great many millions of dollars. That the amount is not very much greater than it is, has been, for a number of years, a matter of extreme regret to us all. We were attracted many years ago to "Sunny Alberta" as a field for the safe investment of trust funds under our administration, and we still believe that, as conditions were then, there was no part of the Dominion in which the moneys we had to loan could have been more safely placed in reasonable amounts, and operating on a business basis, than in this province. Unfortunately, owing to circumstances over which, while we have strenuously and earnestly labored to bring an influence to bear upon them, we have been very plainly made aware that we could exercise very little control, our investments in the province have necessarily had to be limited to a much greater extent than we desired. Through the action of the provincial governments and legislatures, our business of loaning on the security of first mortgages was gradually, step by step, converted into hazardous second mortgage loaning operations.

It is a simple problem in arithmetic. If on a certain quarter section of land we can safely loan a certain sum, say $2,000, as a first mortgage and if, by legislative action, prior claims to the amount of, say $500, are created, it necessarily follows that the amount which can be borrowed on that farm, to afford the same margin of security, must be reduced to $1,500. This not only reduces the aggregate of the loans made, but reduces, possibly to an even greater extent, the number of loans which may be made. The circumstances of a large percentage of the applicants renders it impossible to make the smaller sum answer their requirements, and the lending company has very regretfully to decline the application. It would be a satisfaction to every one of us if, to-day, we had twice the amount invested in Alberta mortgages. Since we began to do business in the Province, funds have always been available; with the possible exception of a short period during the most stressful years of the war, when the supplies from Great Britain were shut off, when our borrowings in Canada had to meet the competition of the very large volume of War Loans issued by the Government to yield the investor a high rate of interest, and when, in addition to the supply being thus limited, we were asked by the Government, and expected, to invest a large proportion of our available funds in these War Loans, thus diverting them from farm mortgage investments. These facts were, and are, well known to the Finance Minister and other Members of the Government.

Effects of Priorities

It may, by some, be considered a trite saying that "the interests of the borrower and the lender are identical." Such persons may be assured that this statement is no mere platitude. On the contrary, it is so self-evident that it may be considered as axiomatic. If the farmer has a crop failure, or becomes heavily involved in other debts and liabilities, he cannot pay the interest on his mortgage, nor the instalment of principal, whether the latter be amortized or not. He frequently finds himself unable also to meet his taxes, and too often does not let this worry him, knowing that the mortgagee must pay them to protect the security. In addition to the amount of the mortgagee's claim being increased by interest and taxes, under such circumstances a borrower frequently is unable to make necessary repairs to his buildings and is compelled to allow his cultivation to deteriorate, involving a depreciation in the value of the property. It does not take long under such conditions as these for the amount of the mortgagee's claim, and the value of the property, to meet and frequently to overlap.

A False Picture

There has been a popular impression, perhaps derived from a certain class of sensational fiction, or from the "sob stuff" of melodrama, of the flinty, hard-hearted, avaricious old money lender waiting for and hoping that the mortgagor will default in his payments, in order that, with a miserlike rapacity, he may seize his property. One of our artists, a number of years ago, executed a somewhat celebrated painting which was entitled "Foreclosing the Mortgage." This work of art should at least have disabused the public mind of the idea generally entertained of the proverbial poverty of the struggling artist. It was quite evident that this particular artist at all events, had never been in the position of the unfortunate mortgager he depicted. Had he been, he would have known that the process was not quite so simple, especially if it had been attempted in Alberta. We have all been unfortunate enough to have found it necessary, notwithstanding every effort to avoid it, to have to realize upon some of our securities, and I think most of you will agree with me that the procedure has not infrequently been more in the nature of foreclosing the mortgagee than of foreclosing the mortgage. At any rate, in a large percentage of cases the mortgagee has been compelled to sustain considerable losses.

How Borrowers Suffer

The man who ignorantly thinks that it is a simple and easy matter to avoid loss, to say nothing of deriving a profit from loaning money on the security of real estate, either farm or urban, has had very little experience in such transactions. The most careful and thrifty borrowers will sometimes meet with misfortune and, even when our mortgages were first claims on the security, there was always a percentage of loss. In Alberta the legislature stepped in and converted our first claims, where loans had been made for as much as could be safely advanced as a first lien, into second mortgages. In cases where, relying on the known responsibility of the borrower, we had granted perhaps larger loans than we should otherwise have done, they took away the covenant. It is somewhat strange that the inevitable result could not have been foreseen. Those of us who have steadily continued to carry on our loaning operations here have necessarily had to lend considerably less, and others who might have been tempted to come into the field have been deterred by the losses which they knew were being sustained by the earlier lenders. "Vested interests," or "vested rights," is a term which in these latter days has come to be very lightly regarded and sometimes held in derision by too many of our citizens and legislators.

Fortunately there is beginning to be a recognition of the baneful effect of these legislative actions in limiting the supply of funds available for investment in the province.

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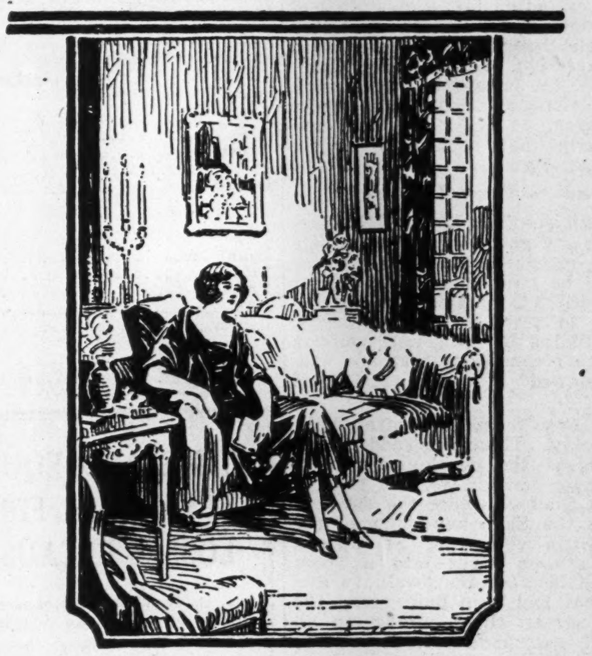

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OVER-NIGHT TOWNS PRESENT SERIOUS HAZARD PROBLEM

Insurance Executive Suggests Laws to Govern House Placing

By JOHN B. LAIDLAW,
Manager, Norwich Union Fire Insurance Company.

Building exposure in the older towns is of course fairly well covered by building by-laws providing for proper construction of side walls, roofing materials, interior construction, and so on. But when you come to the newer parts of Canada you find a jumble of buildings, without any plan, without any evidence of forethought, constituting in many cases a most serious hazard, a hazard so great that those insurance companies which were bold enough to venture into the north country and do business there, have almost without exception lost a good deal of money, notwithstanding the fact that the people thought the rates charged were excessive. That merely indicates that the hazard has been much greater even than the insurance rates would seem to indicate. And unfortunately that hazard is largely one of exposure.

Hard to Draw Up Rules

I do not see how it would be possible for any government or anybody to make regulations requiring towns about to be built in new mining or lumber districts or elsewhere to file a plan, to provide fire appliances, enact building by-laws, and conform to all other conditions that are usually followed in well established cities.

These new towns are often built very quickly. There is a sudden rush in; there is the development of a great water power; we saw that in northern Quebec, where the development on the Saguenay changed the sleepy little village of St. Joseph de Alma over night into a boom town. In between the dwellings and stores that had been built along the winding street, there sprang up all kinds of ramshackle constructions, and the result was as might have been expected: nearly the whole place was wiped out by fire last summer.

What can we do about it? About the only hope I can see of guarding against the reckless construction of row upon row of wooden buidlings would be a general law to the effect that anyone erecting a building must place it so many feet from the building or property of another. In that event, a person located on the shore of a lake or in a summer resort could put up his dwelling entirely detached from anyone else, and even though he had not secured himself by the purchase of land for some distance on each side of his building, he would be protected against someone coming along the next year and putting up a shack or some kind of house within a few feet of him. I know summer resorts where a few years ago the buildings were well detached; the place became popular and other buildings have been erected in between without any regard to those who were there first,, completely spoiling the character of the place and creating a very serious fire hazard. If something of the kind could be provided; for instance, if it could be ordered so that no building should be erected within forty feet of an existing structure in a town which had not provided proper fire appliances, it would mean that in places like Red Lake, Timmins, or South Porcupine the houses would have to be forty feet apart. The land is of no value in itself in those places; the value is only made by the community that settles there. If such a regulation were in effect, in a year or two, as the growth of the town progressed, the buildings would not be erected alongside each other in solid blocks and the members of the community could obtain insurance at a much lower rate.

Overcoming Serious Conditions

It may not be possible to do this, but unless there is some general law to that effect I do not see how you can safeguard these new towns or prevent a repetition of exactly the conditions that you find now in northern and new Ontario.

GREAT EXPANSION TAKING PLACE AT "SMELTERS" PLANTS

(Continued from page 1)

to this extension is a small part of the refinery extension.

A crushing and sampling plant, together with other extensions, is under way at the Tadanac concentrator, to make possible treatment of a greater tonnage and to increase treatment efficiency of customs milling ores.

Owing to the extensive plant expansion, considerably increased power demand will result. To prepare for this the construction of a new power plant, by the West Kootenay Power and Light Co., will commence on the Kootenay River about a mile below the new plant which was put into service last year. The new plant about to be built will contain three 20,000 h.p. units.

In a recent issue of The Post we pointed out that Smelter earnings to Sept. 1 were equal to 1925 total. Not so long ago, in addressing some coast board of trade representatives, when they visited Trail, President J. J. Warren said he looked for production to increase from $30,000,000 to $35,000,000 this year. The increases in values above noted in no way reflect the expansion first noted, which will hardly be apparent in earnings for another year.

Limitation of Paternalism Leaves the Farmer in Better Position

(Continued from page 22)

Europe is that in the long run the farmers succeed best when they help themselves. Whenever they become dependent on the government, they keep looking to the government for more aid. It is believed to be a correct general statement that rural credit is on the strongest basis in those countries where it has been developed most completely without government aid.

"Even granting the great importance of agriculture, it is improper for all the people to be taxed in order to assist the prosperity of even a great class like the farming class.

"Anything in the way of national favors or opportunities for borrowing money on land, would be almost certain to encourage speculation in land. This would lead to still higher prices for land and still greater difficulty in getting the land into the hands of owners who till it.

"It is sometimes urged that the government should loan money directly to farmers at a very low rate of interest. . . . It is doubtful if it will help the farmers in the long run if they are given special privileges. In other words, the government should help bring about a better system of rural credit by legislation, but not by subsidy."

If a similar enquiry were made today the findings of the 1913 commission would be more than verified. It would find that, after exploring the rural credit system of the world the agriculturalist who depended least upon state paternalism had the least difficulty with credit problems.

The Tory Proposal

Dr. Tory in his supplementary report accentuates the necessity for state assistance in keeping young men on the farm and also the necessity for assisting immigrants to establish themselves in rural homes. He has, however, treated with scant regard the existing facilities in Canada, organized and developed by the citizens themselves to make it possible to enter into agricultural pursuits.

Comparison With Other Dominions

"In every one of the other Dominions," says Dr. Tory, "immigrants are met with fully organized settlement schemes by which the thrifty settler may secure financial assistance, on the long-term repayment basis, making possible from the beginning the founding of a home. The purpose of such schemes is to make the road to rural settlement as easy as possible, consistent with reasonable security for assistance granted." Apparently, among the other Dominions Dr. Tory had in mind, are Australia and New Zealand. In the former, land settlement schemes by which the various states have made advances to settlers have been in effect for a long period of years, but what has been the result? Agricultural development and settlement has not been as rapid nor as satisfactory as in Canada. While advances have been made to settlers on the plans referred to by Dr. Tory, we find that in New South Wales 43.50 per cent. of the entire population is urban and located in the capital, Sydney. Similar results have occurred in the other Australian colonies. Melbourne, for instance, has a population representing 51.27 per cent. of the entire colony of Victoria. Of South Australia's entire population 51.84 per cent. reside in the city of Adelaide, and of Western Australia's population 46.42 per cent. are resident in that colony's capital, Perth.

In New Zealand advances to settlers were made by the state since 1892, but, nevertheless, this did not succeed in increasing the population as rapidly as it increased in Canada. Between the years 1900 and 1910 Canada's population increased 34.17 per cent. as compared with 30.51 per cent. in New Zealand, and in the next intercensal period, 1910 to 1920, the respective increases were 21.95 per cent. and 20.87 per cent.

Interest rates in New Zealand are advancing as the volume of mortgage debt increases. Mortgages registered in the official year 1921-22 amounted to £34,789,324. Of this sum £4,500,000 was at 5 per cent. and under, about £16,000,000 at from 5¼ to 6¾ per cent.; £9,000,000 at 7 and 8 per cent.; £1,300,000 at from 9¼ to 10 per cent.; and £20,000 at from 10½ to 25 per cent. per annum. The average for urban and rural loans is approximately 7½ per cent., a rate higher than for corresponding investments in Canada. One of the unsatisfactory aspects of the situation in New Zealand, which has a population of 1,250,000, is that at the end of 1923 the total outstanding mortgages amounted to £242,591,933. A moratorium was in existence from 1914 to Dec. 31, 1924, as to principal payments. Whether the moratorium ended at that time or not has not been learned. During the 23 months ending February 28 last, the State Advances Board paid over to 11,232 borrowers $50,000,000, a sum so large as to indicate the probability of state assistance in adjustments following the termination of this moratorium, or modifications with respect thereto.

Investments in Prairie Provinces

1906	Sask.	Alta.	Man.	Total
Loan	$ 7,718,041	$2,500,000	$11,000,000	$21,218,041
Life	2,840,608	940,000	5,680,000	9,460,608
Trust	2,220,066	740,000	3,300,000	6,260,066
Fire	64,256	......	300,000	364,256
Other	......	......	......	......
	$12,842,971	$4,180,000	$20,280,000	$37,302,971
1925				
Loan	$54,000,000	$30,000,000	$60,000,000	$144,000,000
Life	56,000,000	45,000,000	46,000,000	147,000,000
Trust	21,000,000	14,000,000	16,000,000	51,000,000
Fire	6,000,000	3,500,000	13,000,000	22,500,000
Other	200,000	350,000	400,000	950,000
	$137,200,000	$92,850,000	$135,400,000	$365,450,000

Per cent. increase from 1906 is 880 per cent.

How Fires Start; Chief Causes Shown

Causes reported	Number of Fires
Overheated stoves, furnaces and pipes	3,168
Sparks on roofs	2,896
Lightning	2,541
Defective chimneys and flues	1,975
Carelessness with matches	1,963
Electrical defects	1,845
Smoking	1,402
Coal-oil stoves	931
Reported suspicious	847
Portable lamps and lanterns	648
Hot ashes and coals	446
Illuminating gas devices	429
Spontaneous combustion	418
Open grate fires	293
Incendiary	162
Overheated steampipes	71
Miscellaneous known causes	3,006
Unknown causes	8,716
Total	31,757

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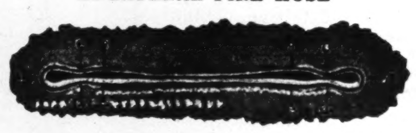
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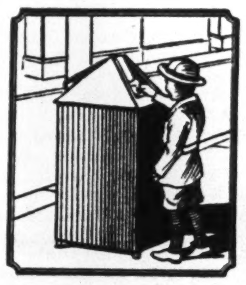
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